Sweden as a Market for Canadian Products

By L. D. WILGRESS
Canadian Government Trade Commissioner in Germany

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Introductory

Hamburg, August 20, 1927.—The possibilities for the exchange of goods between Canada and Sweden are restricted by the great similarity in the basic industries of the two countries. Sweden is largely an agricultural country, yet forestry and mining play a very prominent part in the national economy and abundant waterpower resources form the basis of a flourishing manufacturing industry. No country in Europe therefore has an economic structure so resembling that of Canada.

The chief difference in the national economy of the two countries is that the natural resources of Sweden are not so diversified as those of Canada. This gives rise to openings for the sale to Sweden of certain Canadian products.

Another important factor which renders Sweden worthy of the attention of Canadian exporters is the relatively high standard of living. The market therefore is essentially a quality one, and Canadian products of good quality, which are too expensive for other European markets, can often be sold in Sweden.

PRODUCTS AT PRESENT EXPORTED

Canadian exports to Sweden consist principally of such food products as the latter country requires to import and of certain lines of manufactured goods. Among food products wheat and flour comprise the largest trade, since Sweden requires to import hard Canadian wheat to supplement the soft domestic product. Canned lobsters and fresh apples from Canada are being sought after in Sweden to an increasing extent. The openings for the sale of Canadian manufactured articles are limited by the considerable domestic production of all kinds of finished goods, as well as by the relative proximity of European competing sources of supply such as Germany and Great Britain.

In the fiscal year ending March, 1925, the total value of the Canadian exports to Sweden amounted to $3,906,572. In 1926 the figure had decreased to $3,542,709, due to a falling off in wheat shipments, while in the fiscal year ending March, 1927, Canada exported to Sweden goods to the total value of $3,415,805. The chief products shipped last year were wheat, flour of wheat, canned lobsters, rubber manufactures, farm implements and machinery, automobiles, felt manufactures, live foxes, carbon electrodes, fresh apples, pickled salmon, meats, upper leather, and rolled oats. The following are the figures taken from the Canadian Trade returns.

Canadian Exports to Sweden, Fiscal Year ending March, 1927

Wheat, 1,190,569 bushels	$1,745,193
Flour of wheat, 92,523 barrels	642,117
Oatmeal and rolled oats, 660 cwt.	1,700
Total grain and milled products	$2,389,010
Canned lobsters, 3,835 cwt.	$ 301,594
Fresh apples, 3,070 barrels	14,647
Pickled salmon, 472 cwt.	11,978
Meats	8,627
Total other foodstuffs	$ 336,846
Rubber manufactures	$ 266,004
Farm implements and machinery	166,413
Automobiles, No. 175	109,662
Felt manufactures	39,776

Canadian Exports to Sweden—Concluded

Electrodes, carbon, etc.	17,848
Upper leather	7,601
Automobile parts	207
Total manufactured goods	$ 607,511
Live foxes, No. 58	$ 21,100
All other articles	61,338
Total miscellaneous	$ 82,438
Total Canadian exports	$3,415,805

It will be noted from the above table that wheat accounted for slightly over half the total value of the Canadian exports to Sweden last year. Of the other commodities exported, milled products of grain comprised 19 per cent of the total exports; manufactured goods, 18 per cent; and other foodstuffs, 10 per cent.

Of the rubber manufactures exported from the Dominion to Sweden last year, pneumatic tire casings comprised a total value of $174,943; inner tire tubes, $33,574; rubber belting, $15,557; and rubber hose, $6,989. The farm implements and machinery exported to that market consisted of 428 harvesters and binders valued at $69,500; $53,822 worth of farm implement and machine parts; $7,430 worth of farm and garden tools; $7,039 worth of ploughs and parts; and $4,208 worth of mowing machines.

FOREIGN TRADE OF SWEDEN

A study of the Swedish foreign trade statistics will further indicate the products in which Canada has an opportunity of developing business with that country.

With the exception of the war years and 1922 the foreign trade of Sweden has usually shown an unfavourable balance of trade each year. In 1926 the total imports amounted to a value of 1,489,639,721 kronor,* and total exports to 1,419,269,341 kronor, giving an excess of imports to the amount of 70,370,380 kronor. The imports last year were equivalent in value to $66.08 per capita.

The following table gives the values of the various groups of imports and exports as classified in the Swedish trade returns:—

	Imports 1,000 Kronor	Per Cent	Exports 1,000 Kronor	Per Cent
Living animals	1,984	0.13	3,387	0.24
Animal products	47,514	3.19	90,541	6.38
Grain, pulse, flour, etc.	100,128	6.72	28,475	2.01
Colonial produce	148,153	9.95	369	0.03
Fruit and vegetable produce	61,051	4.10	770	0.05
Spirits, malt liquors and other beverages	15,975	1.07	250	0.02
Textile materials, raw	84,338	5.66	2,170	0.15
Yarns, thread and rope makers' wares	47,995	3.22	4,990	0.35
Textile manufactures	146,845	9.86	16,721	1.18
Hair, feathers, hides and skins, horn, bone and animal manures	51,183	3.44	24,829	1.75
Manufactures of hair, skins, bone, horn, etc.	10,666	0.72	6,593	0.46
Tallow, oils, tars, rubber and similar products	124,526	8.36	18,324	1.29
Manufactures of tallow, oils, etc.	24,327	1.63	5,706	0.40
Timber, unworked and hewn.	12,503	0.84	15,101	1.06
Timber, sawn or further worked	8,466	0.57	243,107	17.13
Dyes and colours	15,298	1.03	1,405	0.10
Diverse vegetable products	63,325	4.25	5,237	0.37
Wood pulp, cardboard and paper	11,116	0.75	411,442	28.99

* 1 Swedish krone=$0.268.

Imports and Exports of Sweden—Concluded

	Imports 1,000 Kronor	Per Cent	Exports 1,000 Kronor	Per Cent
Other manufactures of vegetable materials	9,281	0.62	1,996	0.14
Minerals, raw materials, etc.	176,680	11.86	138,401	9.75
Glass, pottery and manufactured mineral products	23,375	1.57	66,029	4.65
Metals, unmanufactured	76,580	5.14	79,972	5.64
Manufactures of metals	59,620	4.00	67,766	4.78
Ships and boats, vehicles, machinery, instruments, watches and clocks	151,542	10.17	180,970	12.75
Articles not belonging to any of the above groups	17,169	1.15	4,718	0.33
Total	1,489,640	100.00	1,419,269	100.00

It will be noted that the largest group of imports is comprised of minerals. This is due to the large quantities of coal which Sweden requires to import, domestic supplies being insignificant. The value of the coal importation last year was 72,593,817 kronor. Mineral oils are being imported in increasing quantities, the total value in 1926 being 62,084,975 kronor. Of cereals Sweden is obliged to import considerable quantities of wheat, the value of this import last year being 44,327,112 kronor. The importation of coffee is also very large, having a value in 1926 of 80,624,866 kronor. Sweden must import all the necessary raw materials for the textile industry, so that these comprise a considerable group of imports, while in addition there is a large importation of textile manufactures. Swedish hides and skins are mostly exported abroad and heavier hides and skins imported for the use of the domestic tanneries.

Other considerable items of import are vehicles, coke, fish, fertilizers, wines and spirits, fresh fruits, dried fruits, tobacco, electrical machinery and apparatus, raw copper, oil cakes, seeds, rubber goods, clothing, and syrup.

The principal articles exported from Sweden are lumber and box shooks, wood-pulp, paper, iron ore, iron and steel, matches, machinery, electrical apparatus, hides and skins, bacon, cream separators, butter, ball-bearings, and granite and other works of stone.

Germany is the chief supplier of goods to Sweden, followed by Great Britain and the United States. The following table shows the values of the total imports from the chief sources of supply in 1926.

Swedish Imports, 1926

From	1,000 Kronor	Per Cent
Germany	459,598	30.85
Great Britain	221,078	14.84
United States	199,378	13.39
Denmark	117,063	7.86
Netherlands	58,977	3.96
France	54,696	3.67
Brazil	51,831	3.48
Norway	46,882	3.15
Argentina	41,739	2.80
Belgium	29,615	1.99
Poland	28,676	1.93
Italy	20.164	1.35
Finland	19,220	1.29
Central America	15,305	1.03
Switzerland	14,115	0.95
Czechoslovakia	12,576	0.85
Soviet Russia in Europe	11,257	0.76
Spain	8,835	0.59
British North America	8,750	0.59

GEOGRAPHICAL CHARACTERISTICS

An indication of the economic geography and natural resources of Sweden is necessary in order to estimate the possibilities for trade with that country.

The total area of Sweden is 173,035 square miles, which is less than that of any of the three prairie provinces of Canada, but is almost half as large again as Great Britain and Ireland. The country is long and narrow, extending about a thousand miles from north to south and with a breadth of around three hundred miles. It comprises the southern and eastern parts of the Scandinavian peninsula.

Lying between the same latitudes as the southern end of Hudson's Bay and the Behring Straits, Sweden has a very northerly situation, but its climate is tempered by the Gulf Stream, which passes the Norwegian coast of the peninsula and also sends an arm along the west coast of Sweden. The harbours on this coast are ice-free throughout the winter. In the north of Sweden cold east winds from Russia exercise an unfavourable influence on the climate during the winter, while the high mountains shut out the mild west winds. The Gulf of Bothnia, which forms the northern part of the Baltic, is ice-bound along the coast for four or five months. The harbours on the Baltic proper inside the island belt of Central Sweden can only be kept open with the aid of ice-breakers.

The landscape in Sweden on the whole bears a great resemblance to parts of Canada, more particularly to Central Ontario. There are many lakes interspersed with rocky ground and coniferous forests. Cultivation is chiefly carried on in low-lying or level areas in the river valleys or on the shores of lakes.

Northern Sweden consists of highlands sloping in broad terraces from the chain of mountains on the Norwegian border to the Gulf of Bothnia. The country is intersected by large river valleys with many lakes. These valleys are largely filled with fine sand and clay, which has facilitated settlement. The districts on the Norwegian border are mountainous, but only in the north are there peaks of any height. The mountains are intersected by occasional passes affording communication to the Norwegian harbours.

In the centre of Sweden is a low-lying depression and here are found the largest lakes and some of the best farming districts. South of this depression highlands occur similar in character to Northern Sweden, although the milder climate renders richer cultivation possible. In the extreme south is the relatively flat and low-lying province of Skäne.

The greater part of Sweden is comprised of primeval rock, consisting of granites and gneiss. Sandstone, limestone and shales of a later geological period are found in some parts of Central and Southern Sweden. In the low-lying areas and in the river valleys clay areas extend over the rock ground and these are the districts most suitable for agriculture. The extreme south of Sweden, the Province of Skäne, is geologically more related to Denmark than to the Scandinavian peninsula. This province contains the richest and most productive agricultural area in the country. The other chief farming districts are found in Central Sweden in the low-lying plains on each side of Lake Vettern and in the valleys extending from Lake Mälaren.

Economically Sweden may be divided into four parts: (1) the extreme north, where extraction of iron ore is the only industry of importance; (2) the great Swedish forest belt extending from the polar circle to the River Dal, where lumber and wood-pulp are the chief products; (3) Central Sweden from the River Dal to the Göta canal, where the chief manufacturing industries are located; and (4) Southern Sweden, which is mainly agricultural, although a large part of the southern highlands consists of stony marsh land where little cultivation is possible.

The present position occupied by Sweden in the trade of the world must be chiefly attributed to the large resources in iron ore, forests and waterfalls, so that it is desirable to first consider these factors.

IRON ORE RESOURCES

The Swedish iron ore deposits are among the most important in the world. They are located in two separate districts, the ore fields in Lappland on the Lulea-Narvik railway and the "Bergslagen" district of Central Sweden. The former fields contain magnetite ore with an average iron content of from 60 to 65 per cent. Although some of the Lappland ores are low in phosphorus, they are mostly phosphoric ores. The famous Kirunavaara and Gellivara deposits are estimated to contain one thousand million tons of ore in sight. The ore is mostly exported to Germany and Great Britain through the Norwegian port of Narvik, while smaller quantities are shipped through Lulea on the Gulf of Bothnia.

The Bergslagen deposits, consisting of magnetite or haematite ore, have been worked for a long period. Although the ore is not so rich in iron as that of Lappland, containing an average of 52 to 55 per cent, the percentage of phosphorus is very small. The ore is regarded as the best in the world for the manufacture of steel. The low phosphorous ores are utilized as raw material for the Swedish iron and steel industry, which is renowned for the production of high-grade steel. There is a considerable export of Bergslagen ores, mostly those with a higher content of phosphorus, shipment being made through the port of Oxelösund to Germany and other countries.

Swedish exports of iron ore in 1926 amounted to 7,606,000 metric tons as against 8,793,000 tons in the previous year.

FOREST RESOURCES

The forests are the most valuable of the natural resources of Sweden. Owing to their proximity to the coast and the ease of communication afforded by the river valleys, the Swedish forest resources are a dominant factor in world trade. About 60 per cent of the hundred million acres of land in Sweden are covered with forests. The two coniferous trees, spruce (*Pinea abies*) and pine (*Pinus Silvestris*), comprise by far the greater part of the forests.

From the point of view of export the northern belt of continuous coniferous forests is the most important, but the southern forest region also produces great quantities of lumber, pulp and paper, of which a larger proportion is used for domestic consumption.

Forestry in the north of Sweden is greatly facilitated by the snowfall in winter and by the rivers and lakes, which provide natural floating channels. The total length of the floating channels in Sweden is about 18,500 miles. Throughout the north of Sweden logs never require to be conveyed overland for more than five miles to a floating channel. The saw-mills and pulp and paper factories are mostly located where the floating channels end at the mouths of the great rivers on the Gulf of Bothnia and from there the finished products are readily transported to foreign markets.

About 1,350 million cubic feet of wood are extracted from the Swedish forests in a normal year. More than half of the value of the entire Swedish exports consists of forest products, lumber alone constituting between 30 and 40 per cent. The wood products chiefly shipped from Sweden comprise sawn goods such as deals, battens, boards, sleepers and staves; small goods such as box-shooks, laths, etc.; planed boards, mouldings, etc.; round timber such as mastwood, spars, pitprops, etc.; and doors, window-frames and other building materials. Swedish lumber is chiefly valued on account of its freshness, consistency, freedom from knots and straight shape. Exports of lumber in 1926 amounted to around 900,000 standards.

The production of wood-pulp in Sweden is of increasing importance. About three-quarters of the output is exported abroad, the largest trade being in chemical pulp. In 1926 approximately 794,000 tons of sulphite pulp, 319,000

tons of sulphate pulp, and 390,000 tons of mechanical pulp, were exported from Sweden. The number of pulp mills in 1923 was 106 and the value of their products amounted to 205,405,000 kronor.

The Swedish paper industry, like that of Canada, has specialized chiefly in the production of newsprint, wrapping paper, and cardboard, and these products are exported in large quantities, the exports of newsprint in 1926 having amounted to 174,000 tons and those of other paper and cardboard to 236,000 tons. The production of fine papers and building-boards is mainly for domestic consumption, although there is some export of the finer grades of paper and of moisture absorbing boards. In 1923 there were 73 paper mills and cardboard factories with a total output valued at 163,814,000 kronor.

WATER-POWER RESOURCES

Sweden, like Canada, has been greatly favoured in regard to supply of water-power. About 14,200 square miles or more than 8 per cent of the surface of the country consists of lakes and rivers. The lakes mostly form splendid natural reservoirs, which regulate the flow of water. The rivers as they flow down from the terrace-like plateaus, which comprise the interior of Sweden, give rise to numerous water-falls and rapids, which provide a potential water-power estimated at 4,000,000 to 6,000,000 horse-power. About three-fourths of this water-power is in the north of Sweden, the rivers Indal, Angerman, and Lule being the chief sources.

At present about 1,400,000 horse-power are utilized, mostly in Southern and Central Sweden. It is stated that a further 2,400,000 horse-power could be harnessed with comparative ease. The falls of Trollhättan on the River Göta are the chief source of power which serves as the outlet for the great natural reservoir of Lake Venern, 2,150 square miles in area and the largest lake in Sweden. These falls represent about 270,000 h.p., of which about 170,000 h.p. are utilized. The Montala river, which forms the outlet for Lake Vettern. 730 square miles in area and the second largest Swedish lake, is another source of power in Central Sweden.

The state owns the hydro-electric stations at Trollhättan, Lilla Edet, Alvkarleby and Motala, and a steam reserve plant at Västeras in Lake Malaren, as well as a number of waterfalls in the north, of which Porjus is already utilized. A trunk system of transmission lines has been planned, the western section from Trollhättan to Västeras having been completed. The power-station at Porjus, with a capacity of 140,000 h.p., supplies the iron ore mines in Lappland and the Lulea-Narvik Railway. In order to economize the use of coal, a commencement has also been made in the electrification of the Swedish State Railways, and in June, 1926, the Stockholm-Gothenburg main line, 306 miles long, was given over to electrical operation.

MINERAL RESOURCES

Apart from iron ore, Sweden is not very rich in mineral resources. Zinc ores are mined near Lake Vettern. The copper deposits at Falun, which formerly produced a large proportion of the world's supply, are now practically exhausted. Granite is the only mineral, besides iron ore, which now provides the basis of an important industry. Near the west and south coasts a considerable amount of granite is quarried and there is an extensive export of granite paving stones. The presence of lime, together with suitable clay, in the province of Skäne, has given rise to the production of cement, which is being exported to an increasing extent. The ceramic industry has also been developed from the clay resources of this province.

The only Swedish deposits of coal are also located in Skäne. Valuable fire-proof clays are found with the coal and enable the deposits to be profitably

worked, but the supplies of coal obtained are only a little over five per cent of the country's consumption. Peat, on the other hand, is found in Sweden in large quantities, especially in Smäland in the south, but high labour costs have retarded its exploitation, except during the war period.

DISTRIBUTION OF POPULATION

The total population of Sweden at the end of 1922 was estimated at 5,987,520, so that the present population must be slightly in excess of six millions. The Swedes comprise the most homogeneous nation in Europe, the great majority of the population being pure representatives of the same Teutonic race as the Anglo-Saxons.

The bulk of the population are concentrated on the plains, in the river valleys, and around the ore supplies. The forest districts are sparsely settled, while the mountain region of the north is largely uninhabited.

According to the census of 1910, the proportion of the total population engaged in agriculture, forestry and fishing was 48.4 per cent, those engaged in industry and mining comprised 32.3 per cent, while the balance were accounted for by trade and transport, public service and the professions.

SWEDISH AGRICULTURE

Only about 10 per cent of the hundred million acres of land in Sweden is under cultivation. There are great differences between various parts of the country. In the fertile province of Skäne the arable acreage is over 60 per cent of the total area. In Vestergötland and Ostergötland, the two provinces on either side of Lake Vettern, the proportion amounts to 40 and 30 per cent respectively. These are the three chief agricultural provinces of Sweden. Next comes the Province of Uppland, north of Lake Mälaren.

Nearly half of the arable land is employed for the growing of cereals, and about one-half of this is used for cultivating oats, which is the most important cereal crop, with rye coming next. More than a third of the cultivated area is utilized for clover and rotation grasses.

In normal years the wheat grown in Sweden suffices to cover about 65 per cent of the consumption and the rye crop slightly more than 90 per cent. A large importation of wheat and some import of rye therefore is usually necessary. The crop of barley is ordinarily sufficient for the requirements, but a small import of oats is usually required. The potato crop fully covers domestic requirements, and the supply of sugar beets normally suffices for the sugar consumption of the country. In fodder Sweden chiefly requires to import corn and oil cakes to supplement the domestic supplies of feeding stuffs.

The total yields of the different crops in 1926 were as follows:—

	Metric Tons (2,204 Lbs.)		Metric Tons (2,204 Lbs.)
Hay	5,175,000	Rye	592,000
Straw	4,212,000	Mixed grain	523,000
Fodder beets	3,874,000	Wheat	336,000
Potatoes	1,880,000	Barley	324,000
Oats	1,249,000	Sugar beet	142,000

The total value of the 1926 harvest was estimated at 1,168,000,000 kronor as against 1,242,000,000 kronor for the bumper crop of 1925. The decrease may be largely accounted for by the small crop of sugar beets, owing to the inability of the farmers and sugar factories to arrive at a price agreement. In 1925 the crop of sugar beets amounted to 1,329,000 tons. An agreement was reached last November, which fixed the price of beet for the next five years.

The agricultural land of Sweden is divided into about 430,000 holdings, the average cultivated area being about 24.7 acres per holding. Farms of 24 to 120 acres comprise half of the entire cultivated acreage.

The greatest development in Swedish agriculture during the past half century has been in the cultivation of high-yielding plants such as wheat, sugar beets and roots, and in cattle-breeding and dairy farming. There has been a great increase in the number of cattle, horses and pigs, while the stock of sheep and goats has declined. In 1920 there were estimated to be 728,000 horses; 2,736,000 cattle, of which 1,739,000 were cows; 1,011,000 pigs; 1,568,000 sheep; and 113,000 goats. Sweden is independent of imports from abroad for its requirements of dairy products and for nearly all of its meat supply, while there is a considerable export of butter and bacon.

The chief section for the dairy industry is the fertile province of Skäne, in which Friesian cattle are chiefly kept. Throughout the remainder of Southern and Central Sweden Ayrshire cattle are the capital breed, while in the north are found the Swedish white polled cattle.

Co-operation is fairly well developed among Swedish farmers, there being 657 co-operative creameries and 25 co-operative bacon factories. The central organization for the agricultural co-operative societies in Sweden is the Svenska Lantmännens Riksförbund with headquarters in Stockholm.

MANUFACTURING INDUSTRIES

There has been a very considerable development of manufacturing industries in Sweden and the range of products is very diversified. The manufacture of iron is one of the oldest and most important of Swedish industries. The plentiful supplies of high-grade ore in Central Sweden as well as of charcoal have been the basis of this industry. Sweden is practically the only country where charcoal iron is produced. It is estimated that the iron industry consumes about 40 million hectolitres of charcoal annually. Stumps of trees are largely utilized for the making of charcoal. Most of the Swedish export grades are charcoal iron and steel. At the same time the cheaper coke pig-iron is imported from abroad for foundry purposes.

A certain part of the wrought iron and ingot iron is exported in the crude state, but the chief export is comprised of iron and steel which has been forged or rolled, such as hammered or hot-rolled bars, rolled iron and tube billets. The manufacture of plates, wire and wire ropes, is chiefly for the home market. There is a considerable import of heavy building materials, rails, plates, sheets and wrought- and cast-iron tubes.

In 1926 the production of pig iron in Sweden amounted to 456,000 tons, that of ingots and blooms to 519,000 tons, and that of rolled and wrought iron to 341,000 tons, while the export in all forms totalled about 139,000 tons. At the end of the year there were 36 blast furnaces, 34 Lancashire hearth and 34 Martin furnaces in operation. The iron and steel works are mostly located near to the Bergslagen ore fields of Central Sweden.

The most marked development in the last thirty or forty years has been in the Swedish engineering and machinery industries. The high quality of the raw materials, combined with specialisation and engineering skill, have served to create a worldwide market for certain Swedish products, such as cream-separators; ball-bearings; lighthouse, buoy and railway lighting apparatus; telephone equipment; oil engines; steam turbines; hydraulic turbines; precision instruments; oil stoves; wood-working, wood-pulp and paper machines; rock drills and other mining machinery; and machine tools. All kinds of agricultural machines are manufactured in Sweden and there is a considerable export to neighbouring countries. In 1923 the output of agricultural machinery in Swedish factories was valued at 11,600,000 kronor. Bicycles, sewing machines, steel structures, and fire-arms are manufactured on a large scale mostly for

domestic consumption. The electrical industry is chiefly represented by the manufacture of machines and apparatus for high-tension electricity, telephone apparatus and electric conducting material.

The Swedish engineering industry is chiefly located in Central Sweden, Gothenburg, Stockholm, Trollhättan, Norrköping, Motala, Västeras, and Södertelje being important centres, the last-named especially for cream-separators. Ball-bearings are manufactured chiefly in Gotenburg. In Eskilstuna, known as the Swedish Sheffield, there is a very important industry in the production of knives, scissors, axes, saw-blades, other edged tools, locks, hinges, fine forgings, and general hardware, as well as art steel goods. In many of these lines there is a considerable export. In Arvika there is a large manufacture of tools and agricultural implements with an extensive export to overseas countries. There is a very considerable shipbuilding industry in Gothenburg, Malmö and other coastal towns.

The rubber industry in Sweden has expanded rapidly, particularly in regard to the manufacture of rubber footwear. Other rubber goods are mostly imported from abroad. There are eight rubber factories with an output valued in 1924 at 31,000,000 kronor.

The textile industry ranks as one of the important Swedish manufacturing industries, but the raw materials have all to be imported, and there is also a very considerable importation of the finer finished goods such as yarn and cloth, clothing and knitted goods. In 1923 there were 81 cotton mills, 122 woollen mills, 78 hosiery factories, and 11 linen, hemp and jute mills. Norrköping is an important centre of the textile industry.

The Swedish tanneries are mostly occupied with the manufacture of sole leather, for which foreign hides have to be used, the thin Swedish hides being exported abroad. For upper leather and other finer kinds of leather Sweden is largely dependent upon imports from other countries. The Swedish boot and shoe industry has a capacity greater than the domestic consumption, while the glove factories can supply four-fifths of the home demand.

The production of matches is one of the best known of Swedish industries with a very considerable export. Jönköping at the foot of Lake Vettern is the centre of the industry. In 1917 the factories were amalgamated into the Swedish Match Trust, the capital of which amounts to 270,000,000 kronor.

An important fertilizer industry has been built up in Sweden, the production of superphosphates, basic slag and calcium cyanamid being the chief branches. The manufacture of explosives fully covers domestic requirements and is the only other chemical industry of importance in Sweden.

Glass-making is a very old industry in Sweden and has attained a considerable reputation for artistic glassware, which is manufactured at Orrefors. The production of window-glass covers home requirements, while bottles and cut glassware are exported. The requirements of china and crockery are largely met by importations, although the manufacture of pottery is an old-established Swedish industry and two factories are noted for the quality of their products.

The above review of the manufacturing industries of Sweden will indicate that there has been a marked development of certain specialized branches of production in which the Swedish factories have acquired a great reputation for the quality of their products. For other lines of manufactured goods the country remains largely dependent upon imports from foreign countries. These lines include structural steel, plates, sheets, tubes, machinery and electrical apparatus not produced in Sweden, motor vehicles, rubber tires, finer textiles, clothing articles, knitted goods, fine leathers, dyestuffs and fine chemicals.

TRADE CENTRES

The principal commercial centres of Sweden are the three cities with over one hundred thousand inhabitants. These are Stockholm with a population of 438,896, Gothenburg with 229,638 inhabitants, and Malmö with a population of 116,144.

Stockholm is the capital of the kingdom and is beautifully situated at the point where Lake Mälaren flows into a long narrow arm of the Baltic. It is separated from the open sea by an archipelago of countless islands over forty miles in extent. Stockholm is essentially a modern city. With one telephone to every three persons, it leads all European cities in this important indication of modern development.

Stockholm is the leading financial and commercial centre of Sweden. Most of the important banks have their headquarters in the capital. A large part of the distributing trade of the country is handled through Stockholm. The city is also an important industrial centre with busy metal, electrical, and machinery works as well as large breweries and flour mills.

Gothenburg is the chief seaport of Sweden and as an industrial centre is even more important than Stockholm. It is the second commercial city of the country with a very large distributing trade, being particularly important for the trade in overseas products. Gothenburg is situated on the left bank of the Göta river near its mouth and has an excellent harbour which is very rarely blocked with ice.

Malmö is the trade centre for the agricultural province of Skäne and in the import trade is chiefly important for the distribution of feeding stuffs and agricultural machinery. It is situated in the extreme south of Sweden, only 16 miles across the sound from Copenhagen. Malmö, therefore, comes more under the trading influence of the Danish capital than any other Swedish commercial centre.

Besides the above cities there may be mentioned Norrköping and Helsingborg. The former is situated at the head of an arm of the Baltic south of Stockholm and is an important manufacturing centre with some local distributing trade in the highly productive province of Oestergötland. Helsingborg is a busy seaport and manufacturing town, located at the narrowest part of the sound less than three miles across from the Danish town of Elsinore. It has also some local distributing trade in the western part of the province of Skäne and adjacent districts.

The distributing trade of Sweden is chiefly divided between the cities of Stockholm and Gothenburg. The former serves the central Swedish industrial area and the north, while the latter distributes merchandise throughout the southwest and south of Sweden, except that the province of Skäne is partly served by its own centre of Malmö independently of Gothenburg.

An indication of the relative importance of the two centres of Stockholm and Gothenburg from the point of view of import trade is furnished by the following table, giving the quantities of certain products imported into the two ports in 1926:—

Product	Imports into Stockholm, 1926	Imports into Gothenburg, 1926
	In Metric Tons (2,204 lbs.)	
Wheat	43,721	15,606
Wheat flour	4,243	2,667
Rye	6,308	2,061
Oats	3,927	17,151
Corn (maize)	6,042	26,224
Lard	607	426
Coffee	9,892	8,753
Salted herrings	8,212	11,508
Bran	13,918	22,620
Oil cakes	17,711	15,362
Dried fruits other than prunes, raisins, etc.	809	1,268
Flax seed	10,801	18,821
Rubber footwear	86	6
Cast iron pipes	6,188	3,018
Drawn iron pipes	9,348	4,904
Machinery ..kronor	8,690,347	8,654,156

TRADE ROUTES

The shipment of merchandise to Sweden can be effected either by the direct lines plying to Swedish ports or by transhipment at British or such Continental ports as Antwerp, Rotterdam, Hamburg, and Copenhagen.

Unfortunately there is no regular line of steamers between Eastern Canadian ports and Sweden. The Scandinavian-American Line of freight steamers to Copenhagen from Montreal in summer and West St. John in winter call at Gothenburg when cargo warrants. From New York there are regular services available to Gothenburg and Stockholm by the vessels of the Swedish-American Line and the associated Transatlantic Steamship Company. Eastern Canadian products are usually transported by these boats, but a fair proportion of the flour and other commodities is shipped to Hamburg, from which port frequent coastal services are available to all the important Swedish ports.

Importers in Stockholm emphasized the importance of shipping goods direct to that port, if possible, as transhipment at Gothenburg and transport from there to Stockholm by coastal steamer involved great delays.

From Vancouver the Swedish Johnson Line operate a regular service of up-to-date motor-ships to Swedish ports through the Panama Canal.

Gothenburg is the principal Swedish seaport with a total traffic in 1926 of 8,800,000 tons, representing both arrivals and departures. This is an increase since 1913 of 2,200,000 tons. Stockholm is the second port of Sweden with a total traffic last year of 8,000,000 tons, while Malmö comes next. Free port zones have been established at Gothenburg, Stockholm, and Malmö, but only a slight development of the transit trade with other countries is reported to have resulted from this innovation.

Nearly half of the total tonnage navigated between Sweden and other countries is represented by the Swedish flag. The mercantile marine of Sweden at the beginning of 1926 comprised 2,583 vessels of a total of 1,420,485 gross tons, of which 1,143 vessels of 1,009,934 gross tons were steamers, 228 vessels of 297,931 gross tons motor-ships, and the remainder sailing vessels. The most important Swedish steamship companies are the Transatlantic Steamship Company, Limited, operating to South Africa, Australia, India, and the United States; the Nordstjernan Steamship Company, Limited (Johnson Line), operating to Argentina, Brazil, and the west coast of North and South America; the Swedish East Asiatic Company, operating to the Far East; the Swedish America-Mexico Line, Limited, operating to Gulf of Mexico and southern United States ports; the Swedish-North America Steamship Company, Limited (Swedish-American Line,), operating a passenger and freight service to New York; the Svea Steamship Company, Limited; the Swedish Lloyd Steamship Company, Limited, operating services to Great Britain and other European ports; and the Grängesberg-Oxelösund Traffic Company, Limited, with a fleet of about 109,000 gross tons engaged in the iron ore trade.

RAILWAYS AND COASTAL SERVICES

The distribution of goods from the principal Swedish seaports to centres of consumption is rendered by the efficient system of railways and the many lines of coastal steamers. There are nearly 10,000 miles of railway in Sweden and one-third of the total mileage, comprising most of the main lines, is owned by the State. The main line of the Swedish State Railways between Stockholm and Gothenburg was last year converted to electrical operation and it is intended to gradually electrify the other main lines.

There are few places in Sweden more than 300 miles from the coast and many of the principal centres of consumption are coastal towns. There are altogether about 400 ports in Sweden, of which 256 are of economic importance. Regular lines of coastal steamers link up these ports with Stockholm, Gothenburg, and Malmö.

CURRENCY AND WEIGHTS AND MEASURES

In April, 1924, Sweden re-established the gold standard. The notes of the central bank of issue are redeemable in gold and the export of gold is free. The unit of currency is the " krona ", which is subdivided into 100 öre. The par value of the krona is $0.268.

The sole right of note issue is accorded to the Riksbank, the central State Bank of Sweden. At the end of 1926 the note circulation amounted to 525,000,000 kronor, against which the Riksbank held a gold reserve of 224,000,000 kronor and foreign currencies to the amount of 207,000,000 kronor. The home advances of the Riksbank at the end of 1926 amounted to 333,000,000 kronor.

The metric system of weights and measures is in force in Sweden and should be used in quoting Swedish firms.

PUBLIC FINANCES

Sweden remains one of the few European countries which is not overburdened with debt and taxation. The funded debt amounts to 1,726 million kronor and the floating debt to 18 million kronor. The interest charges on the debt amount annually to 85 million kronor.

Before the war the national debt of Sweden was incurred entirely for productive purposes. The capital invested in State enterprises therefore exceeds the national debt. The total amount is 2,300 million kronor, of which 1,106 million kronor are invested in the railways. The total assets of the Swedish State are valued at 3,033 million kronor in addition to 550 million kronor in real estate and movables.

The budget for the fiscal year 1927-28 balances at 709 million kronor. The chief sources of estimated revenue are: income tax, 147 million kronor; customs, 124 million kronor; tobacco and spirits, 154 million kronor; and State enterprises, 95 million kronor. On the side of expenditure the estimated amount expended on defence is 139 million kronor, only a little in excess of the estimated expenditure on education, which amounts to 131 million kronor.

PRESS

The Swedish press is very up-to-date and affords an excellent means of advertising foreign goods. There are about one hundred daily newspapers, of which some of the most important are the *Svenska Dagbladet* (Stockholm), *Göteborgs Handels-och Sjofartstidning* (Gothenburg), *Stockholms Dagblad* (Stockholm), *Dagens Nyheter* (Stockholm), and *Sydsvenska Dagbladet* (Malmö).

ORGANIZATION OF SWEDISH COMMERCE

Sweden being a country of only six million inhabitants and with the distribution of imported goods largely centred in Stockholm and Gothenburg,

there are a limited number of wholesale firms in each branch of trade who purchase goods from foreign countries. It is usually possible therefore to confine transactions to a few large firms of good standing.

In order to do business with Sweden it is necessary to have an agent in the country who will canvass the leading importers. The importance of having a direct agent in Sweden cannot be over-emphasized. Several Canadian exporters entrust their representation for the three Scandinavian countries to one firm in either Copenhagen or Oslo, but this is a great mistake so far as Sweden is concerned, as the Swedes dislike having to deal through an agent established in another Scandinavian country. In cases where a sub-agent is appointed for Sweden, the position is also unsatisfactory, as it means splitting the commission and a sub-agent cannot render as efficient service as a direct agent. Canadian exporters therefore should bear in mind the growing dislike of Swedish buyers to deal through agents in other countries and should establish a direct representation, for which purpose many good firms are available in both Stockholm and Gothenburg.

Commercial banking in Sweden is largely concentrated in the leading joint-stock banks. Of these the most important are: (1) Skandinaviska Kreditaktiebolaget with a capital of 87 million kronor and reserves of 95 million kronor; (2) Svenska Handelsbanken with a capital of 90 million kronor and reserves of 27 million kronor; (3) Stockholms Enskilda Bank with capital and reserves of 100 million kronor; and (4) A.-B. Göteborgs Bank with a capital of 44 million kronor and reserves of 31 million kronor. Other prominent banks are the A.-B. Sveriges Privata Central Bank and the A.-B. Göteborgs Handelsbank. There are a number of other joint-stock banks, but most of these are provincial banks of only local importance. At the end of 1926 the Swedish joint-stock banks held deposits to the total amount of 3,453,000,000 kronor.

The transaction of business with Sweden is attended with less risk than that with many other European countries, owing to the relative stability of economic conditions. Sweden was the first country in Europe to return to the gold standard. The national debt of Sweden is relatively small and the increase in national wealth during the war was considerable. The deflation period after the war was attended with no large bank failures, although Swedish industry felt the full effect of the depression and large amounts had to be written off. This may be taken as an indication of the inherent soundness of the commercial organization of Sweden.

CO-OPERATIVE SOCIETIES

A feature of the commercial organization of Sweden is the prominent part played by consumers' co-operative societies, particularly in the distribution of food products. The largest wholesale business in foodstuffs is conducted by the Kooperativa Förbundet or Wholesale Co-operative Society of Sweden with headquarters in Stockholm. In 1925 the society had a turnover of 97,700,000 kronor, while at the end of that year its assets amounted to 47,000,000 kronor.

The total membership of the societies purchasing from the Wholesale Co-operative Society is over 315,000 heads of families, so that a very large proportion of the total population is supplied through this organization. About 60 per cent of the members are industrial workers and 25 per cent are agriculturalists.

The Wholesale Co-operative Society owns two of the largest flour mills in Sweden, a margarine factory, a chemical-technical factory, and a shoe factory, while last year the society purchased for about 6,000,000 kronor one of the largest rubber factories with the object of producing 600,000 pairs of rubber footwear a year.

The agricultural co-operative societies of Sweden have a central organization, the Svenska Lantmännens Riksförbund, with headquarters in Stockholm, which is chiefly important for the purchase of feeding stuffs, agricultural machinery, and supplies for the co-operative dairies and bacon factories.

TARIFF AND CUSTOMS REGULATIONS

The customs tariff of Sweden is very largely a protective tariff. The Swedish manufacturing industries are protected to a large degree, and protection is also accorded to Swedish agriculture. The tariff is highly specialized and contains over 1,300 items, arranged according to groups of commodities.

The Swedish customs tariff is a single-column tariff, the same rate of duty applying to the products of all countries. The duties on certain wines are fixed according to an agreement with France, while the trade treaty concluded in 1926 with Germany determines the rates of duty with respect to some fifty tariff items. On the whole, however, Sweden has retained a free hand with regard to changes in tariff rates.

The tariff provides mainly for specific duties, i.e. those based on weight or kronor per kilogramme. For certain commodities, such as various kinds of machinery and motor cycles, ad valorem duties have been introduced. The specific duties are usually based on the net weight and a separate " tare tariff " gives the allowances to be made from the gross weight.

Import prohibitions or restrictions are enforced with respect to products subject to State monopoly or control, such as spirits and tobacco; for the protection against diseases injurious to animals and plants; with respect to firearms, ammunition, etc.; and with regard to certain products which have been dealt with legislatively in Sweden, such as shoes containing imitation leather. Goods with incorrect marks of origin, as determined by the Madrid Convention of 1891, revised at Washington in 1911, are also prohibited to be imported.

No special Swedish regulations have to be observed in connection with the preparation of documents for customs purposes. The importer of goods into Sweden must give information as to the value and it is usually desirable that the seller's invoice should be produced. This is essential in the case of commodities subject to ad valorem duties, when a copy of the invoice made out and signed by the seller should be produced, but the customs authorities have the right to appraise the goods if they have any doubt as to the correctness of the invoice valuation. The bill of lading and invoice should agree. Invoices do not require to be legalized by a Swedish consul, but when health certificates or similar documents are required to accompany the goods these should be legalized by a Swedish consul.

Commercial travellers visiting Sweden must on arrival inform in writing the nearest collector of taxes as to his probable length of stay in the country and also pay an advance fee of 100 kronor for the first thirty days and thereafter a fee of 50 kronor for each succeeding period of fifteen days. Samples of no commercial value may be imported free of duty and the Board of Customs may grant freedom from duty for samples of dutiable character.

PRESENT TRADE CONDITIONS

Both Swedish agriculture and manufacturing industries enjoyed great prosperity during the period of the war. It has been estimated that the national wealth of Sweden has been increased by 50 per cent since 1913. The world-wide depression of 1921 and 1922, however, seriously affected the staple industries of Sweden. Since then there has been a gradual recovery, although unemployment still continues.

The steady improvement in trade conditions continued throughout the year 1926. Towards the end of the year a number of favourable factors gave rise to a feeling of optimism in Swedish business circles, which has become more marked during the current year. There has been a decrease in bankruptcies, easy money conditions prevail, and staple exports have increased. Iron ore shipments are heavier this year than last. A brisk demand for lumber set

in towards the end of 1926 following a long period of depression in this trade. Paper production has increased markedly and exports of pulp and paper have been satisfactory. The same is said to apply to the exports of machinery, especially electrical machinery, butter, and cement, all of which showed increased exports in 1926. The most marked feature of the present trade situation is the excess of exports over imports, since normally Sweden has an unfavourable balance of trade. These favourable trade conditions should be reflected in increased purchasing power leading to greater opportunities for the sale of goods to Sweden.

In connection with the Swedish market it should be remembered that this country was very prosperous during the war and a large part of the wealth thus acquired has been retained in the country. The standard of living, therefore, is higher than in most European countries.

The following table gives the rates of wages ruling in 1926 in certain trades:—

Trade	Wages in Kronor Per Week of 48 Hours	
	Male	Female
Textile	37	24
Footwear	41	26
Sugar	43	28
Tanning	45	
Building—		
Bricklayers, carpenters, etc.	77	
Painters	82	
Unskilled	70	
Municipal workers	60	
Stevedoring	62	
Printing (compositors)	55	
Tailoring	74	
Milling	63	

The above wages are considerably higher than those paid in most European countries.

The relatively high standard of living in Sweden renders the market essentially a quality one, in which price is not the same dominating factor as in other European markets. This should favour the sale of Canadian products to Sweden. The cost of living index fell from 174 in January, 1926, to 171 in December of that year, and in June, 1927, was 169.

Unemployment continues in Sweden, due largely to the depressed state of certain industries, such as a section of the iron industry. During 1926 about 10 per cent on the average of the total membership of trade unions were unemployed.

The above review of trade conditions in Sweden will indicate that the country has recovered to a large extent from the post-war trade depression and that the improvement in conditions steadily continues. The present should be an opportune time therefore for Canadian firms to form connections for the sale of goods to that market.

OPENINGS FOR CANADIAN PRODUCTS

The remaining sections of this report will review the openings for the sale to Sweden of Canadian grain and flour, fruits and provisions, agricultural implements and machines, rubber goods, motor vehicles, and miscellaneous manufactured goods.

II

Grain and Milled Products

Hamburg, September 12, 1927.—In a previous report it was pointed out that wheat accounted for slightly over half the total value of Canadian exports to Sweden in the last fiscal year and that milled products of grain comprised another 19 per cent, so that grain and milled products together accounted for about 70 per cent of the total Canadian exports to that market. The shipments of Canadian wheat to Sweden in the fiscal year ending March, 1927, amounted to 1,190,569 bushels of a total value of $1,745,193, those of wheat flour to 92,523 barrels valued at $642,117, and those of oatmeal and rolled oats to 660 cwt. of a value of $1,700. These were the only kinds of grain and milled products exported from Canada to Sweden in any quantity last year.

It was also shown in the section of the report above referred to, dealing with Swedish agriculture, that in normal years the wheat grown in Sweden suffices for only about 65 per cent of the requirements, while the rye crop covers slightly more than 90 per cent of the consumption. Together with corn, these are the only kinds of grain that Sweden requires to import in large quantities, although a small importation of oats has been usually necessary.

The total quantities of the principal grains and products milled therefrom imported into Sweden during the calendar year 1926 are given in the following table:—

Imports into Sweden, 1926

Grain—		
Wheat	bushels	6,623,662
Rye	bushels	970,435
Oats	bushels	2,049,672
Barley	bushels	945
Indian corn	bushels	4,329,025
Beans	metric tons	66,410
Peas	metric tons	3,498
Vetches	metric tons	2,206
Lupines	metric tons	218
Malt	metric tons	470
Milled Products—		
Flour of wheat	barrels	139,229
Flour of rye	barrels	2,496
Flour of oats	barrels	7
Flour of barley	barrels	2
Flour of Indian corn	barrels	6
Other flour	barrels	119
Bran of wheat	metric tons	87,239
Bran of rye	metric tons	3,599
Groats of wheat	metric tons	453
Groats of oats	metric tons	1,531
Other groats	metric tons	28

The above table shows that it is chiefly in wheat and wheat products that opportunities for trade with Sweden are presented to Canadian exporters.

SOURCES OF SUPPLY

The Swedish trade statistics do not furnish a reliable indication of the quantities of grain and flour imported from Canada, owing to the fact that Canadian products shipped through ports in the United States are usually included among the imports from the latter country.

In the trade returns for 1926, out of a total import of 6,623,662 bushels of wheat, the United States are given as the country of origin for 2,896,985 bushels and Canada for 1,043,672 bushels. The other chief sources of supply were Germany with 1,263,110 bushels, Soviet Russia with 652,273 bushels, Denmark with 312,157 bushels, Argentina with 298,562 bushels, and Australia with 107,347 bushels. A part of the imports from Germany and Denmark probably represented transhipment cargoes.

Over half of the rye imported into Sweden in 1926 came from Germany. Danzig, Denmark, and the United States were the next chief sources of supply, while Canada occupied fifth place with 39,337 bushels.

The bulk of the oats imported in 1926 came from Argentina and Germany. Indian corn was imported chiefly from Argentina, Soviet Russia, Roumania, and Germany. The other grains imported in 1926 came from European countries. Of the beans imported, the bulk or 63,265 metric tons were comprised of soya beans, for which Great Britain and Denmark were given as the sources of supply.

The Swedish trade statistics give a total import of wheat flour in 1926 amounting to 139,229 barrels, of which 87,610 barrels are shown as having been imported from the United States, 29,555 barrels from Canada, and 20,267 barrels from Denmark. The bulk of the rye flour imported in 1926 is given as coming from the United States and Germany. The groats of oats (rolled oats) imported into Sweden last year originated mostly in the United States, but Canada is given as the source of supply for 65,206 pounds. Of the wheat bran imported, the chief countries of origin were Germany, Argentina, Great Britain, Holland, and Denmark, while the small quantity of groats of wheat came mostly from France, the United States, and Germany.

TRADE IN WHEAT AND FLOUR

The bulk of the population of Sweden consume rye bread, but the use of wheat bread has been increasing. The national bread of the country is a hard biscuit-like bread made from bolted rye flour, which is eaten by all classes of the population. Of late years a large number of town dwellers have acquired the taste for wheat bread as a result of the period of prosperity enjoyed during the war, when in spite of the scarcity of wheat the high wages paid enabled many Swedish workers to try wheat bread.

The soil and climate of Sweden are not very suitable to wheat growing and a very soft kind of wheat is produced, which does not make a good baking flour. Imports of hard wheat accordingly have been necessary and the imported wheat is mixed with the domestic product in order to yield a satisfactory grade of flour. This explains the strong preference existing in Sweden in favour of Canadian wheat and wheat flour, which with its high gluten content is just the kind required for mixing with the domestic product.

Unfortunately the openings for the sale of Canadian flour to Sweden are restricted by the duties, which discriminate against the importation of flour in favour of that of wheat. The customs duty on wheat and rye imported into Sweden is kronor 3.70 (99 cents) per 100 kg. (220 pounds), while that imposed on flour is kronor 6.50 ($1.74) per 100 kg. These relative duties furnish a substantial protection to the Swedish milling industry. In addition the mills are assisted by the granting of drawbacks on exported flour entitling them to import an equivalent quantity of grain free of duty.

In addition to the protection afforded them by the duty, the Swedish mills bring pressure on the wholesale flour dealers to restrict the trade in imported flour. These dealers are required to limit their business in foreign flour to 5 per cent of their total turnover.

Since the competition of the domestic mills is a decisive factor in the opportunities for the sale of Canadian flour to Sweden, and since these mills are important consumers of Canadian wheat, it is first of all desirable to give some particulars about the Swedish flour-milling industry.

SWEDISH FLOUR-MILLING INDUSTRY

According to the industrial census of 1923, there were 937 flour mills in Sweden with an annual production valued at 116,831,000 kronor. According

to pre-war statistics, it was estimated that in 1912 the Swedish flour mills had a total output of around 400,000 metric tons (4,490,000 barrels) of flour and 200,000 metric tons of groats, grits, and bran.

The great majority of the flour mills are country mills, which chiefly produce rye flour. It is the development of industrial mills which has rendered Sweden independent of imports of foreign wheat flour. The national hard bread of the country is mostly made from bolted rye flour, which can be conveniently made by small country mills from grain grown in their own districts. Only a small proportion of sifted rye flour is used, so that the production of rye flour by the industrial mills is of secondary importance and these mills concentrate on the production of wheat flour.

There are between twenty-five and thirty large industrial mills in Sweden. These are the mills which use Canadian wheat. They are mostly located on the seaboard and in many cases it is possible to unload the imported wheat direct from tramp steamers into the storage bins of the mill. The largest and most important of these mills include the Tre Kronor and Saltsjökvarn mills at Stockholm; the Tre Lejon, P.O. Stokkebyes and Pehrsons Valskvarn mills at Gothenburg; the Malmö Stora Valskvarn at Malmö; the Uppsala Valskvarn at Uppsala; J. G. Swartzs Kvarnverk at Norrköping; the Kalmar Angkvarn at Kalmar; the Trälleborg Angkvarn at Trälleborg; and the Marten Persons Valskvarn mill at Kristianstad.

The two largest Stockholm mills have an output of 250 metric tons (2,800 barrels) of flour a day. Out of the 1,603,105 bushels of wheat which arrived at Stockholm by sea during 1926, the mill of the Saltsjökvarn imported 784,985 bushels and the Tre Kronor mill 703,333 bushels. These mills also received 109,736 and 131,257 bushels of rye respectively out of a total import into Stockholm by sea of 247,795 bushels. Similarly the Tre Lejon mill at Gothenburg received 342,316 bushels out of a total import of wheat into that port amounting to 572,215 bushels and 67,068 bushels of rye out of a total of 81,000 bushels.

GRAIN REQUIREMENTS

It is stated that the large commercial flour mills in Sweden use imported wheat for over one-quarter of their requirements. The chief demand is for Manitoba No. 1 and No. 2. Practically no soft wheat is imported, as it is chiefly hard wheat which is required for mixing with the soft Swedish wheat.

Sales of grain to Sweden are made usually in accordance with London Corn Trade Association's contract for shipments to the Continent. The leading overseas exporters cable quotations regularly to their agents in Sweden, who canvass orders from the flour-milling companies and grain importers for a commission of 1 per cent.

Western rye No. 1 and No. 2 comprises most of the small quantity of rye imported into Sweden. Oats are mostly imported from the River Plate district of South America and are chiefly clipped oats weighing around 52 kg. per hectolitre, suitable for the manufacture of rolled oats. Indian corn is principally imported into the province of Skäne in Southern Sweden for feeding purposes. There is no duty on oats or Indian corn imported into Sweden.

SWEDISH FLOUR REQUIREMENTS

In spite of the unfavourable duty, some business is done in imported flour in Sweden. Although the total trade is not large, it is worthy of the attention of Canadian flour-milling companies. One agent of a Canadian flour exporter reported that he sold up to 16,800 barrels a year, and this would appear to be as large a share of the trade as any one exporter could hope to acquire in a normal year.

The demand in Sweden is exclusively for a strong baking flour to be used for mixing with locally milled flour. Canadian flour is preferred for this purpose

over flour from all other countries, and the leading Canadian brands enjoy an enviable reputation in the market. The greatest sale is for the export patent grade with a smaller sale of third patents. Unlike Denmark, there is very little first clear flour sold in the Swedish market.

Most of the flour imported into Sweden is packed in 100-kg. (220 pounds) cotton sacks. A smaller proportion is imported in 50-kg. (110 pounds) cotton sacks. Jute sacks appear to be not wanted in Sweden.

Foreign flour is mostly sold in Sweden under the exporter's mill brands, only a few importers using their own private brands.

Nearly all of the flour imported into Sweden is sold on terms of cash against documents either on sight or after arrival of steamer at Swedish port. In some cases the terms of payment are three months' confirmed credit in New York.

ORGANIZATION OF FLOUR TRADE

Sales of imported flour are made to the wholesale flour dealers and to the larger baking companies. The bakeries are reported to buy 300 sacks of Canadian flour at a time, and they keep this stock for mixing with Swedish flour. Practically all of the Canadian flour imported into Sweden is consumed by bakeries.

It has already been mentioned that the Swedish flour millers bring pressure to bear upon wholesalers to confine their dealings in imported flour to 5 per cent of their total turnover. Another factor unfavourable to the business in imported flour is the strong position held in the wholesale provision trade by the Kooperativa Förbundet or Co-operative Wholesale Society of Sweden. Embracing a total membership of 315,000 heads of families, this society supplies a very large proportion of the total population. However, they own the Tre Kronor mill at Stockholm and the Tre Lejon mill at Gothenburg, two of the largest flour mills in the country, so that they are not greatly interested in the importation of foreign flour. These factors together with the unfavourable duty will help to explain why Sweden does not offer a more extensive market for Canadian flour.

FLOUR REPRESENTATION

In order to do business in flour with Sweden, it is necessary to have an agent to canvass the trade and push the sale of the mill brands. The usual commission is 2 or 2½ per cent.

Several Canadian flour-milling companies do not have direct agents in Sweden, but cover the market through their representation in Copenhagen and Oslo. This must be considered the wrong policy, as Swedish firms dislike dealing through an agent established in another Scandinavian country and it is necessary for the representatives to have a sub-agent in Sweden with whom they share the commission. It is true that Denmark and Norway present greater possibilities for the sale of Canadian flour than does Sweden, but it is nevertheless strongly advisable for Canadian milling companies to have direct agents in the latter country, if they wish to secure their share of the small amount of business offering. There are a number of good agency firms in Stockholm and Gothenburg who are anxious to secure the direct representation of a Canadian milling company.

DEMAND FOR ROLLED OATS

There is a great demand in Sweden for rolled oats. The Swedish mills produce oatmeal and rolled oats in large quantities. There is also an import from the United States, which supplied 2,930,453 pounds in 1926 out of a total importation of 3,369,817 pounds. This trade is largely in the control of one United States concern, which has made shipments from plants in Canada. The import from Canada in 1926 is given in the Swedish trade returns at 65,206 pounds.

The Swedish producers of rolled oats are protected by a duty of kronor 3.50 (93 cents) per 100 kg. (220 pounds). Rolled oats are imported into Sweden in cotton sacks of 50 kg. (110 pounds) and not in tins. The other considerations mentioned in connection with the trade in imported flour apply also to that in rolled oats.

IMPORTATION OF CEREAL FOODS

American breakfast foods have been introduced into Sweden and one agent, who has specialized in this business, reported a satisfactory turnover. Extensive advertising is necessary in order to introduce a new brand of cereal foods.

OPENINGS FOR MACARONI

There should be an opening for the sale of Canadian macaroni to Sweden, provided prices are not too high as compared with the French and Italian macaroni and vermicelli. Imports in 1926 amounted to 337,598 pounds, of which 205,315 pounds came from France, 71,117 pounds from Italy, and 49,491 pounds from Soviet Russia. The duty on macaroni imported into Sweden is kronor 0.20 ($0.0536) per kg. (2.2 pounds). Several provision agents stated that they would be interested in receiving samples of Canadian macaroni in order to judge the quality. Quotations should be c.i.f. Swedish port for macaroni packed in loose boxes of 25 pounds net as well as in 1-pound cartons packed 24 to a box.

TRADE IN OILCAKES

The importation of oilcakes into Sweden is of fairly large proportions, being used for feedstuffs particularly in the province of Skäne in the extreme south. The only product of this kind which Canada might supply would be linseed cakes. The total imports of oilcakes in 1926 amounted to 169,170 metric tons, of which linseed cakes comprised 1,994 metric tons. The latter were imported chiefly from Soviet Russia, Germany, and Denmark. Linseed cakes are mostly imported in jute bags of 100 kg. and are free of duty.

OTHER GRAIN AND MILLED PRODUCTS

It was not considered possible that Canada could compete in the supply of other grain and milled products imported into Sweden. Thus wheat bran was largely imported from Germany, Argentina, Great Britain, Holland, Denmark, and Brazil, which sources could offer more cheaply than the Dominion.

III

Fruits and Provisions

Hamburg, September 26, 1927.—In the fiscal year ending March 31, 1927, foodstuffs, other than grain and milled products, accounted for 10 per cent of the total value of Canadian exports to Sweden. Of these other foodstuffs the most important items were canned lobsters and fresh apples. These are the two Canadian products which are most eagerly sought after in Sweden at the present time. A great many of the provision agency firms in Stockholm, Gothenburg, and Malmö are desirous of establishing Canadian connections for these lines.

The only other Canadian foodstuffs shipped to Sweden last year were mild cured salmon and packing house products, but openings are also presented for the sale to that market of Canadian evaporated apples and of limited quantities of canned salmon. The market requirements in Sweden for these and other Canadian products will be surveyed in this report.

TRADE IN CANNED LOBSTERS

Sweden provides the third largest market for Canadian canned lobsters ranking after the United Kingdom and the United States, while per capita the consumption in Sweden is greater than in any other country. The importation of Canadian canned lobsters amounts to around 10,000 cases annually, which is said to represent 5 per cent of the total Canadian pack.

The popularity of canned lobsters in Sweden arises from the national custom of Smörgäsbord or a form of hors d'œuvres, in which various delicacies, together with bread and butter and cheese, are eaten before each regular meal. For this purpose lobsters are particularly relished.

The canned lobsters are chiefly used by the restaurant keepers, but there is also a considerable sale to householders. The fondness of the Swedes for outdoor life, which is being reflected in the increasing prevalence of camping parties, has given rise to a greater demand for canned foods of all kinds, but particularly for a canned delicacy such as lobsters, which are so well adapted to the national custom referred to above.

Another factor helping to explain the great demand in Sweden for Canadian canned lobsters is the relatively high standard of living resulting from the general prosperity of the country.

Fresh lobsters are caught on the west coast of Sweden from Gothenburg to the Norwegian boundary during ten months of the year, the period from July 15 to September 15 being the closed season. The supply, however, is not sufficient seriously to interfere with the demand for canned lobsters and the prices are relatively high, 2.50 kronor* to 3 being paid to the fishermen per kilogramme.

The Swedish trade returns do not distinguish between the various kinds of canned fish except sardines. In 1926, out of a total import of canned fish other than sardines amounting to 1,302,578 pounds valued at 888,122 kronor, Canada supplied 369,303 pounds of a value of 251,797 kronor. Most of this import from the Dominion would be comprised of canned lobsters. The importation from the United States under the same heading last year amounted to 178,130 pounds valued at 121,452 kronor. The Canadian trade returns show the following exports of canned lobsters to Sweden in the last three fiscal years:—

	Quantity	Value
Fiscal year ending March, 1925	2,027 cwt.	$140,878
Fiscal year ending March, 1926	3,535 cwt.	248,172
Fiscal year ending March, 1927	3,835 cwt.	301,594

MARKET REQUIREMENTS FOR CANNED LOBSTERS

The demand in Sweden is chiefly for canned lobsters in flat half and quarter pound tins. There was formerly a larger sale of half-pound tins, but now the demand is about equally divided between half and quarter tins. There is very little sale of one-pound tins.

The bulk of the canned lobsters imported into Sweden are unlabelled. This arises from a peculiar situation due to the origin of the business. Canned lobsters were first introduced from Heligoland, when a German brand, known as "Kronen" or "Crown", became firmly established. The result is that nearly all canned lobsters are still sold under this brand. The labels are printed in Sweden and are supplied to the retailers by the wholesalers with the tins. The labels are a facsimile of the German crown brand labels, even German words being used. Specimens of the label are on file at the Department of Trade and Commerce, Ottawa, for inspection by interested Canadian exporters.

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* 1 Swedish krona=$0.268.

The fact that unlabelled canned lobsters are mostly sold to Sweden renders the reliability of the shipper and price the two determining factors in the development of business with this market. Formerly choice Nova Scotia lobsters were the most sought after, but recently the cheaper Prince Edward Island lobsters have been capturing the larger share of the trade.

The c.i.f. prices to Stockholm importers ranged last July around 132 shillings per case for half and 75 shillings for quarter tins. Some Canadian exporters were quoting about five shillings a case higher than these prices, but were reported to be securing little business. The retail prices of Canadian canned lobsters were around 1.30 kronor for quarter tins, 2.25 kronor for half tins, and 4 kronor for whole tins.

Although price has become an important factor in the sale of canned lobsters to Sweden, the buyers also pay great attention to quality and prefer to buy from shippers on the uniform quality of whose product they can rely. This has enabled a few Canadian exporters to build up a valuable connection with the Swedish market.

The usual terms on which canned lobsters are sold to first-class Swedish importers are sight draft with documents attached, payable on presentation. Some buyers desire terms of cash against documents on arrival and after inspection of the goods, but such terms should not be necessary as importers generally are willing to assume risk of quality. The opening of letter of credit to cover purchases of canned lobsters is reported to be out of the question, as this is not done in the case of any other foodstuffs line.

The duty on canned lobsters imported into Sweden is 50 öre per kilogramme or about 6 cents a pound.

REPRESENTATION FOR CANNED LOBSTERS

In order to do business with Sweden in canned lobsters it is necessary to have a representative. There are a great number of provision agency firms seeking the representation of a Canadian lobster shipper and some of these are first-class agents. Certain Canadian exporters give their exclusive representation to firms who take up the documents themselves and then sell to first-class customers on a credit basis. Such firms are difficult to find and the usual method of trading is to have a reliable commission agent, who will canvass the trade. The Canadian Trade Commissioner at Hamburg can place exporters in touch with suitable agents in Sweden.

MARKET FOR CANNED SALMON

There is only a very limited market in Sweden for Canadian canned salmon. The article is not well-known and the duty of 50 öre per kilogramme or 6 cents a pound is too high to permit of a large trade. There is also a plentiful supply of fresh salmon in the rivers of northern Sweden.

One of the leading provision dealers in Gothenburg reported that they handled about 200 cases of salmon a year, but the sale was very slow, their customers taking only one or two cases at a time. The chief demand was for tall pinks, but there was also some sale of medium red. While the market for canned salmon might be capable of extension, firms in Sweden could not hold out any hope for a large trade.

OTHER CANNED FISH

Apart from canned lobsters and canned salmon there would not appear to be any opening for the sale of canned fish from Canada to Sweden. There is considerable industry centred in Gothenburg for the canning of anchovies, sardines and other fish.

The importation of sardines and of bristling amounted last year to 1,115,926 pounds, valued at 1,268,098 kronor, the greater part of which came from France, Norway and Portugal. The chief requirements for sardines sold in Sweden are that they should be in decorated tins with key for opening and that they should be of the 22 mm. size. The bulk of the business is comprised of sardines in tomato sauce for which the leading French makes have the preference.

The sale of canned pilchards from the Pacific coast was said to be out of the question. Californian firms have been unable to secure any business owing to the long voyage and impossibility of competing with nearer sources of supply.

Canned clams, being quite unknown on the Swedish market, are not likely to be saleable.

FROZEN SALMON

Sweden has a plentiful supply of fresh fish and the importation of frozen fish is inconsiderable. It is reported that a shipment of frozen salmon arrived some months ago, but the possibilities for this trade are not considered promising. In 1926 Sweden imported 960,500 pounds of fresh salmon and trout, chiefly from Norway, Finland, and Germany.

MILD CURED SALMON

There is a much better opening in Sweden for pickled than for canned salmon. This article is already being imported from Canada and a number of Swedish firms are anxious for connections. The salmon is shipped mild cured and is used for smoking purposes. The demand for smoked salmon is considerable, as it is a highly esteemed delicacy and is eaten in connection with the Smörgäsbord.

The mild cured salmon is imported in large tierces of 850 pounds. The best plan of trading is to have an agent in Sweden, who is well introduced among the smoking plants.

The Canadian trade returns show an export to Sweden last year of 472 cwt. of pickled salmon of a value of $11,978. The Swedish statistics give a total import of salted salmon and trout in 1926 amounting to 1,461,478 pounds valued at 1,625,939 kronor, of which the United States supplied the largest share with 779,579 pounds.

There is no duty on mild cured salmon imported into Sweden.

CANNED FRUITS

A fairly good trade is transacted with Sweden in California canned fruits. An attempt has been made to introduce Canadian canned fruits, but it has been found that prices are rather high and that the Canadian exporters can only submit offers in August, whereas California firms offer and accept orders at an earlier date.

The largest trade is done in canned pineapples, followed by apricots and peaches, with a smaller business transacted in canned pears. The chief sale is for 2½-lb. tins, but a fair amount of 1-lb. tins are also sold.

The duty on canned fruits imported into Sweden is the same as that applying to most canned goods, viz., 50 öre per kilogramme or 6 cents a pound.

The total imports of canned fruits in 1926 were 2,535,210 pounds valued at 979,513 kronor, of which 2,156,057 pounds came from the United States. From these figures it may be seen that the total amount of business with Sweden in canned fruits is not very considerable.

CANNED MILK

Only small quantities of evaporated milk and milk powder are imported into Sweden. The principal business would appear to be with lumber camps in the north of the country. One United States and one Dutch brand have most of the trade. The total imports last year amounted to only 90,439 pounds, of which 45,454 pounds were supplied by Holland and 24,790 pounds by the United States. Importations are effectively restricted by the duty of 50 öre per kilogramme or 6 cents a pound.

DAIRY PRODUCTS

Practically no openings are presented for the sale of Canadian dairy products to Sweden. The country is itself an exporter of butter, while the cheese imported is mostly comprised of special kinds not produced locally. The total imports of cheese amounted in 1926 to 1,372,466 pounds, all of which came from European countries, Switzerland, Finland, France and Holland being the chief sources of supply. There was only a small importation of butter from Finland.

There was considered to be no possibility of doing business in Canadian cheddar cheese, either compressed or in bulk. The production of cheese in Sweden is very large, having amounted before the war to 22 million pounds a year. The only importation has been in Swiss cheese, Roquefort and Camembert cheese from France, small quantities of Dutch cheese, and some cheese from Finland chiefly for the northern districts. The trade therefore is mostly confined to special kinds of dessert cheese, which do not compete with the local cheese in the way that Canadian cheese would have to compete.

The duty on butter and cheese imported into Sweden is 20 öre per kilogramme or about 2½ cents a pound.

SUGAR

Normally Sweden produces sufficient sugar for domestic requirements. Following the 1925 crop, however, the farmers and the sugar factories were unable to arrive at a price agreement for sugar beets. The result was that the farmers cultivated less sugar beets and the 1926 crop only amounted to 142,000 metric tons as compared with 1,329,000 tons in the previous year. Last November an agreement was reached fixing the price of sugar beets for a period of five years. This year the sugar beet crop is reported to be again below normal and further importations of raw sugar are anticipated.

The Canadian sugar refineries were able to ship to Sweden 33,600 cwt. of refined sugar valued at $214,480 in the fiscal year ending March, 1926. This business resulted from the threatened shortage of sugar due to the above-mentioned price dispute between the farmers and sugar factories. No sugar was shipped to Sweden from Canada last year. The Swedish sugar refiners are able to effectively restrict imports of foreign sugar in normal years by withdrawing the benefit of price rebates from dealers handling imported sugar. When the local crop is short the rebates are not granted and business becomes possible in the importation of sugar from abroad.

The Swedish trade returns for 1926 show a total import of 106,212 metric tons of sugar, valued at 25,066,128 kronor. In the previous year the import had amounted to 44,452 metric tons. Of the 1926 import, 77,713 tons were comprised of raw beet sugar, chiefly supplied from Germany and Poland; 13,784 tons of raw sugar, mostly imported from Cuba; and the balance of refined sugar, of which Germany supplied 6,844 tons, Czechoslovakia 4,996 tons, Holland 1,250 tons, Belgium 1,015 tons, and the United States 511 tons.

The consumption of sugar in Sweden is very large and before the war was only surpassed in Europe by that in Great Britain and Denmark. There are

eleven raw sugar factories in Sweden, most of which are located in the southern Province of Skäne, the centre of sugar beet cultivation. The number of sugar refineries is five and they are mostly situated in the larger towns.

The duty on refined sugar imported into Sweden is 10 öre per kilogramme.

HONEY

Last year Sweden imported 57,510 pounds of honey of a total value of 38,060 kronor. The principal sources of supply were Great Britain, Denmark, Germany, Cuba, Finland, and France, while Canada is given as having supplied 2,081 pounds. Firms interviewed were not very hopeful of the prospects for selling any large quantity of Canadian honey in Sweden. One firm, who imported some Ontario honey, stated that they still had part of the stock on hand unsold.

It would appear that the consumption of honey is not large, being confined principally to the winter months and among invalids. The Swedish producers also guarantee the purity of the local honey and have conducted propaganda against imported honey. The duty of 23·5 öre per kilogramme or $0·0287 per pound is also said to operate against the importation of foreign honey on any large scale. The pre-war production of honey in Sweden was estimated at 1,320,000 pounds a year.

SYRUP

There is a considerable importation of syrup into Sweden and firms were interested to ascertain the possibilities of obtaining supplies from Canada. Total imports in 1926 amounted to 38,666,800 pounds, most of which came from Great Britain, but the United States supplied 7,094,149 pounds. A syrup of light colour is chiefly required and the duty is 5 öre per kilogramme.

FRESH APPLES

The greatest interest is being shown by Swedish firms in the importation of fresh apples from Canada. This may be said to be the Canadian food product for which the best opportunity is presented of increased trade with Sweden.

In the fiscal year ending March, 1926, Canada exported 9,646 barrels of apples to Sweden of a total value of $54,530. Last year the shipments totalled 3,070 barrels valued at $14,647. This year the prospects are for a greatly increased sale of Canadian apples, provided the shippers can deliver. With supplies in the United States none too plentiful, Swedish buyers are looking to Canada for a larger proportion of their requirements.

The Swedish trade returns for the year 1926 give a total importation of fresh apples amounting to 28,881,142 pounds valued at 6,937,843 kronor. The United States was the chief source of supply with 18,068,371 pounds, followed by Great Britain, Italy, Germany, and Denmark. Australia supplied 889,379 pounds, and Canada is given as the source of supply for only 49,665 pounds.

Both boxed apples and barrelled apples are required in Sweden. Gothenburg provides a good market for apples in barrels, while Stockholm takes mostly boxed apples. The chief requirements of the market are that the apples should show a red colour and should not be too large. Another requirement is that only good-keeping varieties should be shipped.

Apples showing a red colour are preferred as the Swedes buy fruit chiefly by the eye. Yellow Newtowns, however, are well liked and are one of the varieties of boxed apples sold in Sweden. The chief sale of boxed apples for arrival before Christmas is of Jonathans. After Christmas Winesaps and Newtowns comprise the bulk of the shipments. Small lots of McIntosh Red have

been sold and are very much liked, but some brokers consider this a dangerous variety for the market, as the apples do not keep well enough. Spitzbergens are another variety of British Columbia apples that could be sold in Sweden.

In barrel apples, the chief trade has been in such varieties as Ben Davis and York Imperials from Virginia. These are all-red varieties, whose particularly attractive appearance makes them very formidable competitors. It is on the score of relatively short colour that Canadian apples are particularly criticized. Nova Scotia Baldwins, for example, would probably find it difficult to make headway on this market, on this account, but Kings and Gravensteins would be suitable.

For boxed apples the extra fancy grade is mostly required. The best proportion in a carload is stated to be 75 per cent of extra fancy and the balance of fancy grade.

The Swedes have a distinct prejudice against large apples. They fear that over-sized apples are not likely to keep and the sale of apples by weight favours the smaller sizes. For boxed apples the chief sizes required are from 150 to 200, the most popular sizes being 168 and 175. Small proportions of 216 and 225 can even be absorbed, but it is difficult to sell any apples larger than 150. It is reported that business has been done in size 138, but there is really no demand for any of the larger sizes of apples.

For barrel apples the sizes required are $2\frac{1}{4}$ and $2\frac{1}{2}$ and No. 1 grade is principally in demand. It is suggested that, for the Swedish market, Canadian sizing regulations might reasonably be relaxed so as to permit $2\frac{1}{4}$-inch apples in the No. 1 grade. American grade A quite commonly includes this size, and it is a distinct handicap for Canadian shippers to be obliged to ship fruit of first quality as No. 2, because slightly lacking in size. The $2\frac{1}{4}$-inch size is one of the best for the Scandinavian market, and should not carry a depreciatory grade designation.

Nearly all orders for apples on the Swedish market are on the basis of firm contracts, payment cash against documents. It is necessary for shippers to have agents, who will book orders from the leading importers for a commission of 5 per cent. South Swedish firms, in such centres as Malmö and Helsingborg, frequently purchase apples on the Copenhagen auctions, but Stockholm and Gothenburg buy almost exclusively on firm contract from overseas shippers and these are the two largest fruit centres in the country. When prices realized on the Copenhagen auctions are low, this is apt to have an unsettling effect on the trade in Sweden, which otherwise is conducted for the most part independently of Copenhagen.

Sweden is providing an increasing market for fresh apples. The standard of living is high and people can afford to pay the prices for high-class fruit. Last season one agent sold some 25,000 boxes of Australian apples and is hopeful of a much larger sale next spring. There are few countries in Europe which hold out better prospects for an increased trade in Canadian apples than Sweden.

EVAPORATED APPLES

An excellent opening would also appear to be presented for the export of Canadian evaporated apples to Sweden. Fairly considerable quantities of all kinds of dried fruits are imported into Sweden, although it is reported that the trade is declining while that in fresh fruit is increasing.

The Swedish dried fruits trade is mostly in a few hands. Thus in Gothenburg eleven firms, members of the wholesale grocers' association of that city, have agreed to purchase only through recognized agents, who in turn sell to no outside firms. Similarly in Stockholm the bulk of the business is transacted by about a dozen large wholesale dealers.

Evaporated apple rings and possibly also dried cores and skins are the only kinds of dried fruits which Canada is in a position to export to Sweden. The largest dealers in Gothenburg handle about 2,000 boxes of evaporated apples a year. This will serve to indicate the extent of the market. The total imports of dried apples into Sweden in 1926 amounted to 2,472,202 pounds valued at 1,123,671 kronor, and of this import the United States supplied 2,154,447 pounds. In addition there was an import of 13,913 pounds of dried apple waste, all of which came from the United States.

Unfortunately the standard grade of Canadian evaporated apples is practically unknown on the Swedish market. This is stated to be the chief objection to handling Canadian evaporated apple rings.

The bulk of the business in evaporated apple rings is transacted in Prime grade from New York State and Extra Choice grade from California. The New York State apples are preferred owing to their being manufactured from sour stock, but when Californian prices are lower there is a considerable sale of Extra Choice apple rings from the Pacific States. Last season large imports took place from Washington and Oregon.

The Prime grade is chiefly taken from New York State, but as last year this grade was not as good as usual more of the Choice grade is now being ordered. The trade in Fancy grade evaporated apple rings from New York State is not large, as prices are too high. These apple rings are taken both faced and unfaced. Orders are occasionally placed for the Choice grade from California by firms who have army contracts and can take a lower grade, but it is mostly the Extra Choice grade which is sold from the Pacific Coast.

Most of the evaporated apple rings imported into Sweden are packed in boxes of 50 pounds net, the only other form of packing known being the box of 25 pounds.

A number of Canadian exporters of evaporated apples have been corresponding with agency firms in Sweden, but very little would appear to have been done to introduce Canadian apple rings. The unfamiliarity of the market with the Canadian standard grade is a handicap to business, but when once this obstacle has been overcome a limited but steady trade should be developed in the export to Sweden of evaporated apple rings from Nova Scotia and Ontario.

PACKING-HOUSE PRODUCTS

The trade with Sweden in packing-house products is restricted by the considerable domestic output. There is a large production of hog products and only small quantities of meat require to be imported.

The principal importation of packing-house products is in such commodities as animal fats for the margarine industry, pure lard and salted pork. Sausage casings are imported, but the requirements are largely confined to beef casings. A considerable import as well as export of hides takes place, but this is because the thin Swedish hides are not suitable for the manufacture of heavy sole leather and are exported in exchange for heavier hides.

In the fiscal year ending March 31, 1926, Canada exported to Sweden 517 cwt. of dry salted pork valued at $9,648 and 395 cwt. of bacon and hams valued at $8,644. Last year there was an export of dry salted pork amounting to 554 cwt. or a value of $8,627 and of sausage casings valued at $2,153. These are the principal products in which Canadian packing houses can do business with Sweden.

Salted pork is imported into Sweden chiefly for the requirements of the lumber camps in the north of the country. During a severe winter the consumption is very large. The greatest demand is for short clear backs, ranging 25 to 30, 30 to 35, and 35 to 40. There is a smaller trade in short clear middles, ranging 6 to 8 and 7 to 9. Family hams in tierces and pickled family beef are other kinds of meat which Sweden imports in limited quantities.

Another possible opening for Canadian exporters is presented by the trade with Sweden in slightly salted horse-meat, packed in large tierces. This horse-meat must be of the highest quality, as it is used in Sweden for smoking to be then sold as Hamburger beef.

The Swedish trade returns show an importation in 1926 of 7,741,722 pounds of salted pork of a total value of 5,477,877 kronor, most of which came from the United States, although 37,954 pounds were supplied by Canada. Except for an import of fresh beef from Finland, representing largely border traffic, this was the only considerable item of meat imported into Sweden last year.

The duty on salted pork imported into Sweden is 12 öre per kilogramme.

The trade in corned beef with Sweden was fairly large some years ago, but has now shrunk to small dimensions, the total import last year being 587,490 pounds.

Pure lard is mostly imported into Sweden in wooden tubs of 25 kg. (55 pounds) and in pails of 12½ kg. (28 pounds). The total imports of pure lard in 1926 amounted to 3,209,283 pounds, valued at 2,074,971 kronor, most of which was supplied by the United States. The duty of 15 öre per kilogramme at present makes American lard dearer than Swedish lard and is restricting business.

Imports of neutral lard in 1926 amounted to 172,256 pounds.

There is a fairly considerable importation of animal fats for the requirements of the Swedish margarine industry, but the trade is reported to be declining with the increasing use of vegetable fats. The importation of premier jus in 1926 totalled 5,621,260 pounds, and that of oleomargarine amounted to 2,090,176 pounds.

The chief trade with Sweden in sausage casings is done in beef rounds and beef middles. There is little opening for hog casings, as Swedish domestic supplies suffice for the requirements. In 1926 a total of 3,681,229 pounds of sausage casings valued at 3,547,786 kronor were imported into Sweden from Germany, the United States, Denmark, Argentina and a number of other countries, including 38,500 pounds shipped from Canada. There is no duty on sausage casings imported into Sweden.

PROVISION AGENTS

The only practical method of doing business with Sweden in nearly all of the food products enumerated in this report is to have an agent in one of the leading centres such as Stockholm and Gothenburg. The usual commission varies from 2½ per cent in the case of bulk articles such as packing-house products and evaporated apples, to 5 per cent in the case of such commodities as canned goods and fresh apples. It has already been stated that a number of the leading firms of provision agents in Sweden are seeking connections for the sale of Canadian products. Canadian exporters can be placed in touch with these firms through the Canadian Trade Commissioner at Hamburg.

IV

Agricultural Implements and Machines

Hamburg, October 20, 1927.—Sweden offers only restricted openings for the sale of Canadian agricultural implements and machines on account of the large domestic production of these articles. Nevertheless Canadian manufacturers have been able to do some business with Sweden, chiefly in binders and agricultural machinery parts, with smaller shipments of farm and garden tools, ploughs, and mowers.

SWEDISH AGRICULTURAL MACHINERY INDUSTRY

There are about ten factories in Sweden specializing in the manufacture of agricultural machinery. Most of these do a considerable export business, particularly with the Russian market. Norrköping where the factory of the International Harvester Compay is situated, Stockholm, Eskiltuna and Gothenburg are among the leading centres of the industry. The value of the output of Swedish agricultural machinery amounted in 1913 to 15,300,000 kronor, in 1919 during the boom period to 41,600,000 kronor, and in 1923 to 11,600,000 kronor.

These figures do not include cream separators, which are manufactured by three firms on a very large scale with exports to nearly all parts of the world. The output of Swedish separators was valued in 1919 at 41 million and in 1923 at 14 million kronor. Other agricultural machines manufactured in Sweden on a scale large enough to provide an export surplus include reapers, binders, mowers, ploughs, cultivators, sowers, threshers, straw presses and steam locomobiles, while Swedish crude oil engines, tractors and motor ploughs embody special features which enable them to find a sale in foreign markets.

The domestic production of agricultural implements in Sweden is also considerable, but exports are confined to a few special lines. There is a factory in Arvika with a capacity for producing 2,000 forks and spades a day.

IMPORTS FROM CANADA

The Canadian trade returns show an export of farm implements and machinery to Sweden in the fiscal year ending March, 1927, of a total value of $166,413 as compared with $107,693 in the previous year. The largest item among the exports to Sweden last year was the shipment of 428 binders, valued at $69,500. The next largest item was comprised of farm implement and machinery parts of a total value of $53,822. The other principal items were $7,430 worth of farm and garden tools, $7,039 worth of ploughs and parts and 66 mowing machines, valued at $4,208.

It is in the sale of binders and farm tools that the best openings are presented in Sweden for Canadian agricultural implement and machinery manufacturers to compete with the domestic industry.

TRADE IN HARVESTING MACHINES

The total importation of mowing and reaping machines, including binders, and parts into Sweden in 1926 amounted to 2,299,226 kg. of a value of 2,022,394 kronor, of which 1,545,280 kronor represented shipments from the United States and 439,382 kronor imports from Germany. Of this import complete machines accounted for 1,773,503 kronor and parts for 248,891 kronor. Germany was chiefly prominent for the supply of parts. The greater part of the trade was comprised of complete binders imported from the United States and Canada, shipments from the Dominion being probably included among the total imports credited as coming from the United States.

The above figures indicate that, while the importations of harvesting machines into Sweden are not considerable, there is business to be done in the sale of binders and mowers to that market. The usual sizes of binders and mowers are sold, the medium sizes being chiefly in demand. The Canadian machines have an excellent reputation, but the competition of the Swedish manufacturers is very keen.

The duty on harvesting machines imported into Sweden is 6 kronor per 100 kg., while parts are subject to a duty of 12 kronor.

PLOUGHS

There was not considered to be much opening for the sale of Canadian ploughs to Sweden. The ordinary makes of ploughs are manufactured in the

Kingdom and even exported, but there is some importation from the United States and Germany. In 1926 a total of 587,144 kg. of ploughs were imported of a value of 479,439 kronor, of which the United States supplied 375,700 kronor and Germany 77,684 kronor. The best opening for Canadian manufacturers is in the sale of heavy tractor ploughs, in which the competition of the local factories is not so marked. The 12-inch plough is mostly used in Sweden.

The Swedish duty on ploughs is 6 kronor per 100 kg.

HARROWS, CULTIVATORS, SEEDERS AND RAKES

In such lines as ordinary cultivators, sowing machines and disc drills it is very difficult for Canadian firms to compete with the Swedish producers as well as with the manufacturers in Germany and Czechoslovakia, who have the advantage of proximity to the market and who produce the type of machines required. The total importation of sowing machinery amounted in 1926 to 328,547 kg. valued at 240,334 kronor. Czechoslovakia and Germany were the chief suppliers and a small quantity was imported from Denmark. The import of sowing machinery from the United States was valued at only 4,560 kronor.

Some business might be done in harrows, of which 245,220 kg. were imported in 1926 of a total value of 188,856 kronor. Of the latter amount 148,551 kronor represented importations from the United States. Finland and Germany supplied most of the remainder.

The importation of horse rakes last year totalled 65,710 kg., valued at 36,494 kronor, most of which came from Germany with the United States as the second chief source of supply, 8,264 kronor worth having been imported from that country.

There was an import of manure spreaders into Sweden last year weighing a total of 91,634 kg. and valued at 55,420 kronor, most of which came from Germany. The latter country also supplied the bulk of the hay and straw presses imported, the total value of which was 64,648 kronor. There was only a small import from the United States of each of these two lines. Similarly of an import of winnowing machines, valued at 132,284 kronor, all except a small amount was supplied by Germany.

Weeders and similar implements were imported into Sweden in 1926 to the total value of 47,149 kronor. Germany was the principal source of supply, followed by Denmark and Czechoslovakia, while goods to the value of 3,873 kronor were imported from the United States under this heading.

The importation of potato and peat diggers last year was valued at 46,490 kronor, Denmark and Germany being the most important suppliers.

The duty on hay and straw presses and seeders imported into Sweden is 7 kronor per 100 kg., while that on the other machines mentioned above is 6 kronor per 100 kg.

THRESHING MACHINES

The Swedish requirements for threshing machines are mostly met by the domestic factories, there being only an import of the larger type of threshers from Great Britain. The imports of this line in 1926 amounted to 134,273 kg. of a total value of 130,607 kronor and all, except a few supplied by Denmark, were imported from Great Britain. There was reported to be no opening for the North American type of threshing machine.

Threshers are subject to a duty of 7 kronor on importation into Sweden.

TRACTORS

There is an increasing use of tractors in Sweden. Although farms of 24 to 120 acres comprise half of the entire cultivated area, there are a number of fairly large estates and the tendency towards the co-operative use of farm machinery leads to the continued introduction of tractors. The principal importation is of the light tractor of 10 to 18 horse-power from the United States. In 1925 a total of 1,053 tractors were imported, of which the United States supplied 1,011. Last year 709 tractors of a total value of 1,408,871 kronor were imported. Of these 671 units came from the United States, 17 from Germany, 11 from Great Britain and 10 from Denmark.

There should be an opening for Canada to supply a share of the tractors imported into Sweden.

Tractors are subject to a duty of 10 kronor per 100 kg. on importation into Sweden.

GASOLINE ENGINES

Internal combustion engines are manufactured fairly extensively in Sweden, but there is also an importation, especially of the lighter engines, for agricultural purposes. In 1926 the import of motors amounted to 286,308 kg. of a total value of 1,464,372 kronor. Germany was the principal supplier, but 408,693 kronor represented shipments from the United States and 400,230 kronor imports from Great Britain.

Internal combustion motors weighing up to 500 kg. are subject to a duty of 10 kronor per 100 kg.

FARM AND GARDEN TOOLS

One of the best openings for the extension of Canadian trade with Sweden is presented in the demand for farm and garden tools. These are largely manufactured in Sweden, but considerable importations also take place.

There is a very great demand for hay forks, as hay is one of the principal Swedish crops. The American forks appear to be well liked and are able to compete with the products of the domestic factories. The importation of these articles in 1926 amounted to 212,240 kg. of a total value of 301,649 kronor, of which the United States supplied 228,291 kronor, Germany 46,126 kronor and Denmark 26,078 kronor.

Hay forks are required with two and three prongs, handles of hickory or ash, and packed in bundles of a dozen. There is also a demand for manure forks, which are chiefly wanted with five prongs, while in Southern Sweden the four-pronged spading fork is required.

Spades and shovels are mostly imported from Germany and Great Britain. There is a fairly large sale of a light shovel used for spreading fertilizers, which is imported from Germany. There would only be an opening for Canadian spades and shovels if they could compete in price with those imported from Great Britain. The total import of spades and shovels from Sweden is not large, having amounted in 1926 to 49,961 kg. of a total value of 41,231 kronor, of which 18,330 kronor worth were imported from Germany and 12,936 kronor worth from Great Britain. Imports of spades and shovels last year from the United States were valued at 2,459 kronor.

Iron rakes with 12, 14, or 16 teeth are imported into Sweden and Canadian manufacturers might supply part of the demand, which is chiefly met by the local factories and importations from Germany.

The importations into Sweden of other hand tools for farm and garden amounted in 1926 to 40,585 kg. of a total value of 40,585 kronor, of which 19,683 kronor represented imports from the United States and 16,458 kronor imports from Germany.

The duty on farm and garden hand tools imported into Sweden is 8 kronor per 100 kg.

OTHER AGRICULTURAL APPLIANCES

There would not appear to be very great openings for the sale of any other Canadian agricultural appliances to Sweden. Lawn mowers are being imported into that market from the United States, and although the trade is restricted in volume, Canadian manufacturers might secure a share of the business. Pumps are chiefly imported into Sweden from Germany, the United States, and Great Britain, the total value of the imports in 1926 being 1,709,572 kronor. In dairy appliances the Swedish industry is too strong to permit of imports in any quantity. Some binder twine is imported, the total quantity last year being 120,546 kg., of which the United States supplied 91,063 kg. and Holland 25,635 kg.

DISTRIBUTION OF AGRICULTURAL MACHINES AND IMPLEMENTS

The Swedish trade in imported agricultural machines is largely in the hands of a few large dealers who have the exclusive representation for the whole country of leading foreign makes of machines. This renders the introduction of new makes difficult. Agricultural implements such as hay forks, on the other hand, are handled by a number of large importing firms, most of whom are prepared to consider trial orders for new makes. Co-operation plays an important role in Swedish agriculture and the societies affiliated to the Svenska Lantmännens Riksförbund distribute certain kinds of implements and machines. Agricultural machinery is usually sold in Sweden on terms of six months' credit and implements on the basis of thirty to ninety days' sight drafts, depending on the standing of the importer. Canadian manufacturers of agricultural implements and machines desirous of introducing their products to the Swedish market should submit their catalogues, prices and terms of payment to the principal importing firms through the Canadian Government Trade Commissioner at Hamburg.

V

Rubber Goods

Hamburg, November 14, 1927.—Sweden consumes very large quantities of rubber goods. The northern climate renders the use of rubber footwear imperative throughout most of the year, while the development of motor transport during recent years has created a correspondingly large demand for rubber tires. There is also a fairly considerable demand for technical rubber goods among the manufacturing industries of Sweden.

A substantial part of the Swedish requirements for rubber goods is covered by the domestic factories. This particularly applies to rubber footwear, of which only a few special lines are imported in any quantity. The Swedish production of rubber tires is not sufficient for the requirements and there is a considerable importation, especially of tire casings. Other kinds of rubber goods are supplied both by the domestic factories and by imports from foreign countries.

CHIEF RUBBER GOODS IMPORTED

Rubber-soled canvas shoes and high rubber boots are imported from the United States and Canada. These are the principal rubber footwear lines imported from abroad.

Rubber tires for motor vehicles are imported from the United States, Great Britain, France, Germany, Canada, and Italy. Bicycle tires are chiefly supplied from Great Britain and France.

Technical rubber goods, such as belting, buffer soles and heels, are imported mostly from Great Britain, the United States, and Germany. Ebonite products are obtained from Germany and France. The demand for surgical rubber goods is mainly met by imports from Germany. Rubber flooring is imported from Great Britain, the United States, and Germany. Hose and tubing is also supplied from these countries as well as by France.

There is a fairly considerable import of waterproof clothing from Great Britain and Germany and of bathing caps and shoes from the United States. Rubber balls are imported from Great Britain and Germany. Some rubber heels and soles for footwear are obtained from Belgium and the United States.

The above comprise the principal kinds of rubber goods imported into Sweden. In the case of most lines the imported articles have to compete with the products of the domestic factories, who are protected by fairly high duties. The following table shows the total quantities and values of some of the chief rubber goods imported into Sweden in 1926:—

Description	Quantity Kilogrammes	Value Kronor
Rubber hose and tubing:		
Spiral and armoured	30,661	97,885
Covered with woven fabrics	2,962	15,192
Other inner tubes	113,114	788,546
Other hose and tubing	144,653	615,527
Machine and transport belting	234,278	1,436,813
Rubber boots and shoes	191,887	977,062
Bicycle parts:		
Outer tires	478,722	2,513,291
Other	27,668	179,842
Automobile outer tires	1,214,172	7,285,032
Other soft rubber goods	343,123	2,058,738
Solid tires	93,924	349,244

IMPORTS FROM CANADA

The Canadian rubber companies have sold to Sweden a fair amount of motor vehicle tires and rubber belting and also some high rubber boots and rubber-soled canvas shoes. The Swedish trade returns for 1926 only show an import from Canada of 3,801 kronor worth of rubber belting. Since most of the Canadian rubber goods are shipped to Sweden through ports in the United States, it is probable that they are credited to the latter country in the Swedish trade statistics.

The Canadian trade returns for the fiscal year ending March, 1927, give the total value of the export to Sweden of Canadian rubber manufactures at $266,004. This is 44 per cent of the total export of Canadian manufactured goods to that country last year. The largest item was comprised of pneumatic tire casings, of which $174,943 worth were exported to Sweden. Inner tubes of tires were exported to the value of $33,574, rubber belting to the value of $15,557, rubber hose valued at $6,989, and other manufactures of rubber n.o.p. to the value of $33,457.

SWEDISH RUBBER INDUSTRY

The competition of the domestic factories being the most important consideration in connection with the openings for the sale of rubber goods to

Sweden, it is advisable to first give a brief description of the Swedish rubber industry and its products before dealing with the trade in the different rubber articles imported into the kingdom.

The total amount of capital invested in the Swedish rubber industry exceeds 22 million kronor. The number of workers employed in the industry amounted in 1924 to 3,066, in addition to a staff of 279 persons. The power utilized totalled about 8,000 horse-power. The value of the output in that year was 30,805,628 kronor as compared with 10,714,000 kronor in 1913. Rubber footwear is by far the most important branch of production and accounted for 22,115,911 kronor, or over 70 per cent of the value of the total output of rubber goods in 1924. The production of rubber belting was valued at 615,330 kronor and that of other rubber goods at 8,074,387 kronor.

The leading Swedish company manufacturing rubber goods is the Hälsingborgs Gummifabriks A.B., Hälsingborg, which has a capital of 9,000,000 kronor and employs about 1,950 workers. This company produces mainly footwear of the well-known Three Towers brand and does a considerable export business with Denmark and other countries formerly supplied by Russia. They have their own textile mill for producing the fabrics required in the rubber footwear.

Closely associated with the Hälsingborg Company is the Trelleborgs Gummifabriks A.B. of Trelleborg. This company has a capital of 3,000,000 kronor, employs about 500 workers, and produces mainly rubber tires and technical goods.

The Ryska Gummifabriks A.B. of Malmö is another important manufacturer of rubber footwear. This company has a capital of 3,500,000 kronor and employs around 600 workers.

The Svenska Gummifabriks A.B., Gislaved, with a capital of 3,000,000 kronor and around 300 workers, was purchased last year by the Co-operative Wholesale Society of Sweden for about 6,000,000 kronor. This factory produces all kinds of rubber goods, but chiefly footwear. The co-operative organization intends to manufacture about 600,000 pairs of rubbers a year with a view to forcing down prices.

The Skandinavska Gummi A.B., Viskafors, has a capital of 2,430,000 kronor and employs about 470 workers. All categories of rubber goods are manufactured, but the chief production is footwear.

The Upsala Gummifabriks A.B., Ulvsunda, with a capital of 915,000 kronor and a hundred workers, produces principally rubber tires and technical goods.

The last-mentioned company was established in 1917, but all the other companies were in existence before the war.

The production of rubber footwear by the Swedish factories amounted in 1924 to 4,743,300 pairs of a total weight of 5,469,000 pounds, as compared with an output of 3,542,000 pairs in 1913.

The Swedish production of rubber tires is relatively small, this product being manufactured only by the Trelleborg, Viskafors, Gislaved, and Upsala companies. In addition the Nordiska Overmanring A.B., Stockholm, with a capital of 200,000 kronor, produces solid tires.

The Trelleborg and Upsala companies are the chief Swedish producers of rubber belting and other technical goods, but these lines are also manufactured in the Viskafors and Gislaved factories.

Rubber balls and other soft rubber goods are manufactured and exported by the Hälsingborg company.

Surgical rubber goods are made by the Viskafors factory and by the well-known Stille-Werner Company of Stockholm. The Viskafors and Trelleborg companies produce rubber gloves.

Waterproof clothing is made by the Trelleborg company and also by the Norrkopings Regnkladers och Presenningsfabrik A.B., Norrkoping (capital 300,000 kronor).

Rubber flooring is manufactured by the Viskafors, Trelleborg, and Gislaved companies. These three companies also produce ebonite, of which there is an increasing export from Sweden.

TRADE IN RUBBER FOOTWEAR

The consumption of rubber footwear in Sweden is very large, but the competition of the domestic factories and the duty prohibit any considerable importation of rubber footwear from foreign countries.

The public in general show a decided preference for the domestic rubber footwear, which is of excellent quality and finish. The Swedish taste in rubber footwear is very conservative. The people will only buy the stiff-backed "galoshes" after the style produced by the Russian factories before the war, to which they have become accustomed. They do not like as a rule the tight-fitting American rubbers. It is also claimed that the Swedish rubbers are manufactured in better shapes and that the finish is better, being more brightly polished.

One American rubber manufacturing company is making stiff-backed galoshes and selling these in the Swedish market, but the other American and Canadian companies are not doing so.

Just after the war, when the people were not so particular as to what they bought, the American firms did a good business in rubber footwear with Sweden, one company having a turnover of 600,000 kronor a year. Recently, however, the competition of the Swedish factories has restricted American and Canadian sales to a few special lines.

The duty on rubber footwear imported into Sweden is 1.20 kr. per kilogram or 14.6 cents a pound, while rubber-soled canvas shoes pay a duty of 1.50 kr. per kilogram or 18 cents a pound.

In addition to the protection afforded by the duty, the Swedish manufacturers have the advantage that they can keep stocks all over the country and can allow retailers to change goods. This the importing houses are unable to do. The Swedish manufacturers are able to grant generous credit terms. They also do extensive advertising, some companies allotting for this purpose a sum equivalent to 5 per cent of their turnover.

The Swedish rubber manufacturers are reported to have made good profits from the protection afforded them against foreign competition. A cartel of the leading producers was formed in 1912 to avoid price cutting in the home market. The co-operative organization has been bringing pressure to bear upon the manufacturers to reduce prices. They succeeded in securing one drastic cut in prices, the retail price of men's rubbers being reduced from 8.50 to 6.50 kr. per pair. As the co-operative union could not bring the manufacturers to make further reductions, they resolved to purchase one of the largest rubber footwear factories in Sweden, as already mentioned above.

IMPORTS OF RUBBER FOOTWEAR

The Swedish trade returns give a total import of rubber footwear in 1926 amounting to 191,887 kg. of a total value of 977,062 kronor. This does not include rubber-soled canvas shoes, which are included under the general heading of "other footwear". The United States was the chief source of supply for the rubber footwear imported in 1926, the total value of the imports from that country being 375,690 kronor. Norway and Great Britain came next with 186,402 kronor and 185,002 kronor respectively.

The chief openings for the sale of imported footwear in Sweden are presented in such lines as canvas shoes with rubber soles, high rubber boots, and black overshoes.

The Swedish factories make very good rubber-soled canvas shoes and do some export business in this line. The American and Canadian canvas shoes are preferred to shoes from all other sources of supply, but the high duty of around 18 cents a pound makes business very difficult. One Stockholm importer with a stock of 5,000 pairs of Canadian canvas shoes reported that sales were very slow.

Knee- and thigh-high rubber boots for use in the lumber districts of Northern Sweden present one of the best openings for Canadian rubber footwear manufacturers in this market. Very few of the Swedish factories can turn out good top boots. A plain black unpolished cheap line is the chief seller, as the population in the north of Sweden is mostly poor. Price and utility therefore are the chief considerations for trade with the Swedish lumber districts. Canadian top rubber boots have been introduced and are meeting with a steady demand, owing to their good quality and suitability to conditions.

There might also be a limited opening for the sale of plain black overshoes and snow boots from Canada to Sweden. The domestic factories turn out very attractive styles of overshoes and Russian boots in a variety of shapes and colours, so that it is only in the plain black lines that the imported article could compete.

GRANTING OF CREDIT

Credit terms are essential if Canadian firms wish to do any business with Sweden in rubber footwear. Otherwise it is impossible for the importer to compete against the well-organized sales distribution of the Swedish factories. The usual terms are three months net with a discount of 2 or 2½ per cent for payment within thirty days. It is stated that importers have frequently to wait six months for their money. Terms of thirty days' credit, granted by some Canadian companies, are reported to be a handicap to sales and a restriction of turnover.

TRADE IN TIRES

The Swedish import trade in rubber tires is largely in the hands of the leading producing companies in the United States, Great Britain, France, Germany, and Italy. Most of these companies have their own branch organizations in Sweden, through which they distribute tires to dealers all over the kingdom. This applies to two of the principal United States companies. Two other American concerns are represented by agents in Stockholm, while a fifth entrusts the supervision of their Swedish business to the branch office of the company in Copenhagen.

Extensive advertising in the Swedish press is conducted by nearly all the leading producers. In the case of the American companies the advertising expenses are shared equally between the parent company and the branch organization or agent.

The duty on rubber tires for bicycles and motor cycles imported into Sweden is 1.60 kr. per kilogram or 19.5 cents a pound, while rubber tires for motor cars are subject to a duty of 1.20 kr. per kilogram or 14.6 cents a pound.

The sizes of the tires imported into Sweden are the usual sizes used in European countries having the metric system of weights and measures.

It would be difficult to introduce a new brand of Canadian tires to the Swedish market unless the manufacturers were prepared to spend a considerable sum on advertising and to grant their representatives credit and other facilities, which would enable them to compete with the other producers who main-

tain branch offices in Sweden. The credit terms for tires are in general similar to those granted for rubber footwear, although the branch organizations extend fairly long terms of credit to dealers.

The following table gives the imports of tire casings from the different countries in 1926:—

Swedish Imports of Outer Automobile Tires

Country of Origin	Quantity Kilogrammes	Value Kronor
United States	742,599	4,455,594
Great Britain	186,004	1,116,024
France	160,797	964,782
Germany	59,275	355,650
Italy	28,713	172,278
Belgium	22,038	132,228
Denmark	9,084	54,504
Other countries	5,662	33,972
Total	1,214,172	7,285,032

The above table shows that over half of the tire casings imported into Sweden last year were supplied by the United States. The imports credited as coming from Denmark would be re-exports of foreign tires from that country.

Bicycle and motor cycle tires are imported into Sweden mostly from Great Britain and France. One British and one French manufacturer are stated to supply three-fourths of the bicycle tires imported. The Swedish factories are stronger in this line than in automobile tires. In 1926 the total imports of outer bicycle tires amounted to 478,722 kg., valued at 2,513,291 kronor, of which Great Britain is credited with 1,032,050 kronor, Denmark with 462,499 kronor, France with 455,375 kronor, Germany with 198,403 kronor, and the United States with 136,815 kronor.

The imports of solid tires in 1926 came to 93,924 kg. of a total value of 349,244 kronor. Of this sum 128,909 kronor were supplied from Great Britain, 123,186 kronor from the United States, and 72,134 kronor from Holland.

TRADE IN OTHER RUBBER GOODS

Canadian manufacturers have been successful in securing Swedish orders for rubber belting in face of keen competition from the domestic factories and from the producers in Great Britain, the United States, and Germany. The best quality of rubber belting is said to be supplied by Great Britain, while the German manufacturers offer keen competition in price.

The principal customers of imported belting are the large wholesale dealers in technical goods, who have branches in Stockholm, Gothenburg, and Malmö. These firms supply the different Swedish industries throughout the country. Credit terms of three months with the usual discounts for cash are said to prevail. The duty on rubber belting imported into Sweden is 0.35 kr. per kilogram or 4.26 cents a pound.

The total imports of rubber belting into Sweden in 1926 amounted to 234,278 kg. valued at 1,436,813 kronor. Norway was given as the source of supply of 50,236 kg. valued at 422,500 kronor. Great Britain supplied 64,276 kg. of a value of 350,165 kronor; the United States, 51,594 kg. valued at 279,324 kronor; and Germany, 42,647 kg. of a value of 225,825 kronor.

There is a fairly considerable importation of various kinds of rubber hose and tubing, but the German manufacturers do the largest trade. Spiral and armoured rubber hose is subject to a duty of 0.30 kr. per kilogram or about 3.65 cents a pound. Germany supplied 15,172 kg. out of a total import of 30,661 kg. of this kind of hose in 1926. Hose covered with woven fabrics is free of duty on importation into Sweden, but nearly all of this kind of hose imported in 1926 came from Germany. Other kinds of rubber hose and tubing

are subject to a duty of 0.50 kr. per kilogram or about 6 cents a pound. Denmark and France are given as supplying nearly all of the inner hose imported in 1926. Other rubber hose and tubing was imported in 1926 to the total value of 615,527 kronor, of which 218,070 kronor worth were imported from Germany, 178,225 kronor worth from Great Britain, and 132,199 kronor worth from the United States.

Imports of buffer soles and heels and similar rubber goods in 1926 amounted to 242,613 kg., the United States, Great Britain, and Germany being the important sources of supply. Imports of rubber mats in the same year totalled 27,114 kg., of which the United States supplied 11,047 kg. and Great Britain and Germany most of the remainder.

Rubber teats for milking machines are required in fairly considerable quantities in Sweden, but the demand is now fully met by the domestic factories.

The other rubber goods imported into Sweden are not of great interest to Canadian manufacturers. Rubber heels and soles for shoes are mostly supplied by the Swedish factories, but there is a small importation from Belgium and the United States. There might be an opening for the sale of composite soles from Canada. The leading Swedish manufacturer produces most of the rubber balls required, but there is an import of sporting balls from Great Britain and of other rubber balls from Germany.

Only ebonite products are imported into Sweden from Germany and France, the local factories covering the requirements for ebonite. There is a considerable importation of surgical rubber goods, rubber gloves, and seamless teats from Germany, which country is the leading supplier of these lines, although they are also manufactured to some extent in Sweden.

With regard to clothing articles, the best-quality trade for waterproof clothing is supplied by imports from Great Britain, while cheaper lines are imported from Germany. It would be difficult for other countries to compete for this trade. Waterproof clothing is also manufactured in Sweden by two firms.

There is a very large trade with Sweden in bathing caps and shoes from the United States and there would be a good opening for any Canadian manufacturer who could take up this line. Bathing caps are not made in Sweden and the demand is considerable, as there are plenty of facilities for bathing during the summer and the people are very fond of outdoor life. One United States concern does the largest trade and has a turnover of over half a million kronor a year. This firm produces bathing caps in a very attractive range of shapes and styles, the retail price ranging from 0.40 kr. upwards.

REPRESENTATION

The above completes the review of the trade in the different kinds of rubber goods imported into Sweden. There remains to be given some remarks regarding the best plan of canvassing for business with that market. It is advisable for Canadian manufacturers to have direct representatives in Sweden. This can be done either by appointing an agent to solicit orders from the trade for a commission of 5 per cent or by granting the exclusive representation to a firm of rubber goods importers, on whom the Canadian firm will draw for all goods shipped. The latter plan is usually the most satisfactory if a good connection can be formed. Above all, Canadian manufacturers should be warned not to entrust their representation for Sweden to a firm in another country. This is often done by exporters who do not consider the possibilities for trade large enough to warrant separate representation. Swedish firms, however, dislike dealing through representatives established in another country, so that a Canadian firm would only prejudice their chances for business by not arranging for direct representation in Sweden.

VI

Motor Vehicles

Hamburg, November 24, 1927.—Sweden has provided one of the best European markets for motor vehicles in proportion to the population of the country. Imports during recent years have averaged around 18,000 units annually. Not only is Sweden a relatively prosperous country with a high standard of living, but also up to last year there has been no domestic producer of motor cars to compete with the imported product.

DEVELOPMENT OF MOTOR TRANSPORT

According to the latest statistics, there were approximately 77,000 passenger motor cars, 4,000 motor-buses, and 18,220 motor trucks in Sweden during the summer of 1927. This gives a total of 99,220 motor vehicles, exclusive of motor-cycles, which is equivalent to one vehicle for every 61 inhabitants. This compares with one vehicle to every 42 inhabitants in Denmark, one to every 43 in Great Britain, one to every 44 in France, and one to every 171 inhabitants in Germany. It may be said therefore that only three other countries of Europe have experienced a greater development of motor transport than Sweden.

There are approximately 43,000 miles of roads in Sweden. Most of the roads are well surfaced, but are narrow and have many sharp turns, so that they are not well adapted to motor traffic. Efforts to remedy this state of affairs are now being made and considerable road construction is taking place in the neighbourhood of the principal towns. On the whole, the country is suitable for the use of motor transport, there being few steep gradients in the settled parts of the kingdom. On the other hand, the rocky nature of the country renders road construction very costly.

IMPORTS OF AUTOMOBILES

There are few countries in Europe where North American makes of motor cars so predominate as in Sweden. This can be seen from the import statistics, which show that the bulk of the cars imported are shipped from countries where American concerns have established branch plants or direct from the United States.

In 1925 there were imported into Sweden 14,311 passenger motor cars, 2,950 motor trucks, and 1,260 chassis or a total of 18,501 units. Last year the imports totalled 18,997 units, comprised of 15,256 passenger motor cars, 2,084 motor trucks and 1,657 chassis. The following table shows the countries of origin of the complete passenger motor cars and motor trucks imported into Sweden last year:—

Imports into Sweden, 1926

From	Complete Passenger Motor Cars		Complete Motor Trucks	
	No.	Value in Kronor	No.	Value in Kronor
Denmark	10,460	23,101,118	1,913	3,092,395
United States	3,753	14,323,858	123	440,015
Italy	623	2,019,361	1	6,061
France	273	979,436	38	148,086
Germany	66	215,441	6	29,730
Great Britain	48	194,333	2	7,859
Belgium	17	81,610	...	...
Austria	10	80,088	...	...
Norway	4	3,718	1	900
Poland	1	5,132	...	...
Holland	1	2,118	...	...
Total	15,256	41,006,213	2,084	3,725,046

The importations from Denmark, given in the above table, would be mostly comprised of the Ford and Chevrolet makes of automobiles, assembled in the plants of those companies located in Copenhagen. There would also be included some of the French Citreon cars assembled in Copenhagen and possibly a few other makes of cars re-exported from Denmark.

The imports of chassis also came from practically the same countries as the complete automobiles. Out of a total of 1,657 chassis imported in 1926 to the total value of 3,721,717 kronor, 1,241 chassis came from Denmark, 369 from the United States, 25 from France, 11 from Great Britain, 8 from Germany, 2 from Italy, and 1 from Belgium.

A total of 69 automobile bodies valued at 31,207 kronor were imported into Sweden last year, and of these 42 came from the United States and 16 from Denmark.

The importations of automobile parts into Sweden in 1926 amounted to 945,802 kg. of a total value of 2,276,459 kronor. About half (1,254,390 kronor) originated in the United States. The import of automobile parts from Denmark was valued at 600,815 kronor, that from Great Britain at 128,521 kronor, that from Germany at 82,235 kronor, that from France at 75,979 kronor, and that from Italy at 50,999 kronor. The balance was made up of small importations from Holland, Belgium, Austria, Norway and Switzerland.

IMPORTS FROM CANADA

The Swedish trade statistics do not show any importation of motor cars from Canada, but the Canadian trade returns for the fiscal year ending March, 1927, give the following exports of Canadian automobiles and parts to Sweden:—

	No.	Value
Passenger automobiles, valued at $500 or less	65	$ 31,230
Passenger automobiles, valued at over $500 and up to $1,000	100	65,156
Passenger automobiles, valued at over $1,000	10	13,276
	175	$109,662
Automobile parts		207
Total		$109,869

The above exports of motor cars from Canada to Sweden were probably included in the Swedish statistics among the imports from the United States.

TRADE IN MOTOR CYCLES

There is an increasing importation of motor-cycles into Sweden. In March, 1926, the duty was raised from 60 kronor per motor cycle to 15 per cent ad valorem. but in spite of this the imports increased from 2,230 motor cycles in 1925 to 3,852 in 1926. The total value of the import in the latter year was 2,774,599 kronor, while in addition motor cycle parts were imported to the value of 191,670 kronor. Last year Great Britain supplied 1,646 motor cycles valued at 1,045,036 kronor, and the United States 1,505 of a value of 1,289,833 kronor. These were the two chief sources of supply, although 491 motor cycles were imported from Belgium and 118 from France.

At the end of 1926 there were approximately 26,000 motor cycles in use in Sweden.

Since 1903 the Husqvarna Vapenfabriks A.B., Husqvarna, have been manufacturing two types of motor cycles, one of which is for single drive and the other for use with side-car. This make of motor cycle is popular and enjoys good sales.

MOTOR CAR PRODUCTION IN SWEDEN

The growing importance of the Swedish market for motor vehicles has directed the attention of foreign producing companies to the question of erecting assembling plants in Sweden. The first move in this direction has been made by the General Motors Corporation, who are erecting a plant at Stockholm for the assembling of around 7,000 Chevrolet cars a year. It is probable that other companies will follow this example, since the Swedish authorities are inclined to encourage the assembling of foreign cars with Swedish labour in preference to the importation of automobiles assembled in neighbouring countries.

Up to last year there was no Swedish manufacturer of automobiles. The well-known SKF ball-bearing concern, however, has taken a leading part in the organization of a motor car manufacturing company, known as the A.-B. Volvo. In the autumn of 1926 the latter commenced the construction of a series of 1,000 cars, the first of which appeared on the market last spring. This car develops 25 horse-power and the touring model retails at 4,800 kronor ($1,286.40), so that it comes in the medium-priced class. It is too early yet to predict what success will attend this venture, but henceforth foreign producers must reckon with the competition of a locally produced motor car.

DUTIES AND TAXES

The customs duty on complete motor cars and trucks imported into Sweden is 15 per cent ad valorem, while the duty on automobile parts is 10 per cent.

The internal taxes applicable to motor vehicles in Sweden are of three kinds. There is the motor vehicle tax proper, a tax on rubber tires, and a tax on gasoline. The automobile tax is based on weight and is not a tax on horse-power as is the case in most other European countries. The tax therefore does not operate to any extent to the disadvantage of North American makes of automobiles.

The annual motor vehicle tax applies to motor cycles, passenger motor cars and motor trucks. On motor cycles without side-cards weighing less than 75 kg. (165 pounds) the tax amounts to 10 kronor ($2.68) for each calendar year; on those weighing over 75 kg. to 15 kronor ($4.02); and on motor cycles with side-cars to 25 kronor ($6.70). On other motor vehicles with soft rubber tires the tax is 10 kronor ($2.68) for each 100 kg. (220 pounds) or part thereof of the weight of the vehicle less 400 kg., but shall not be less than 75 kronor ($20.10) per calendar year. On other motor vehicles with tires of other material than soft rubber, the tax amounts to 50 kronor ($13.40) for every 100 kg. or part thereof of the weight of the vehicle.

The tax on rubber tires applies to solid tires and tire casings or parts thereof and is levied at the rate of 2 kronor ($0.536) per kilogramme, payable upon importation.

The tax on gasoline amounts to 0.06 kronor per litre and is also payable upon importation.

DISTRIBUTION OF MOTOR VEHICLES

There are three principal centres for the distribution of motor vehicles in Sweden. These are the cities of Stockholm, Gothenburg and Malmo. Stockholm is the leading centre, and some producing companies grant exclusive selling rights for a make of automobiles to a Stockholm distributor, who has branches in the other two centres. Other companies divide their representation among three different distributors located in each of the above cities.

North American methods of salesmanship, advertising and terms of payment have materially assisted in increasing the sale of motor cars in Sweden during recent years.

All types of automobiles are sold in Sweden. Among passenger motor cars the recent trend has been towards the medium-priced car at the expense of high-priced cars. European makes occupy a leading position in the high-priced class, but in the medium-priced class the North American makes dominate the market with French and Italian cars a secondary factor.

The largest trade is naturally in the low-priced class of car, and here also the North American makes are the most prominent, although the Italian Fiat and French Citreon makes offer noticeable competition. British motor manufacturers do not yet appear to have taken full advantage of the opportunities offered in the Swedish market.

It is estimated by one authority that North American makes account for fully 85 per cent of the motor vehicles registered in Sweden. Most of the taxi-cabs in Stockholm and other cities are North American makes.

In motor omnibuses the European makes appear to be holding their own and there are a number of buses of British manufacture.

The bulk of the business in motor trucks has been in the light one-ton and one-and-a-half-ton delivery trucks of the same makes as those whch dominate the low-priced passenger car market with the North American makes the leading factor. In heavier trucks the European makes are more prominent.

VII

Miscellaneous Manufactured Goods

Hamburg, December 7, 1927.—Previous reports have dealt with the openings in Sweden for the sale of Canadian grain and flour, fruits and provisions, agricultural implements and machines, rubber goods and motor vehicles. These products comprise the bulk of the present exports from Canada to Sweden. The only other Canadian commodities being shipped to that market in any quantity and not already covered are felt manufactures, iron pipe and tubing, carbon electrodes, upper leather, and live breeding foxes. The purpose of the present report is to deal with the openings for the sale of these and other miscellaneous Canadian products which might be exported to Sweden.

The possibilities for the sale of Canadian manufactured goods to Sweden will always be restricted to a few special commodities on account of the productive capacity of the Swedish manufacturing industries and the accessibility to competitive sources of supply in the chief industrial countries of Europe. This is well illustrated in the case of the trade in textiles.

TEXTILES

The textile industry in Sweden is of considerable importance and supplies the requirements of the kingdom for most of the ordinary classes of textile goods. At the same time there is a large importation from other European countries, and to a lesser extent from the United States, of those kinds of textile articles which cannot be so profitably manufactured in Sweden. Thus Great Britain supplies most of the finer textiles. Medium grades of textile products are imported from Germany and other European countries. The United States chiefly supplies certain special kinds of cotton goods, pure and artificial silk socks and stockings, and cotton, woollen and silk underwear. It is principally in these classes of knitted goods that Canadian manufacturers might be able to do business with Sweden.

The finer cotton yarns are imported into Sweden mostly from Great Britain. Germany sends a good deal of the coarser yarns, and Switzerland is also an important source of supply. In cotton sewing thread the bulk of the business is done by Great Britain. Woollen yarn is chiefly imported from Germany and Great Britain, with France, Belgium, Switzerland, and Czecho-

slovakia supplying fair quantities of certain grades. Artificial silk yarn is imported from Great Britain, Germany, Switzerland, Italy, and Holland. The imports into Sweden in 1926 of cotton yarn totalled 1,281,797 kg.; those of sewing thread came to 267,058 kg.; woollen yarn imports amounted to 2,702,366 kg.; pure and artificial silk yarns to 511,084 kg.; and yarns of flax, hemp, jute, etc., to 427,322 kg.

Pure silk and artificial silk fabrics are imported into Sweden chiefly from France, Switzerland, and Germany, while the latter country is the most important supplier of half-silk fabrics. The better-class serges and suitings of wool are obtained from Great Britain, but Germany sends large quantities of the cheaper kinds of woollen cloth. In cotton piece goods Great Britain is the largest supplier. Germany comes next, with a number of other European countries supplying smaller quantities. Only small quantities of certain kinds of cotton goods are imported from the United States.

Among knitted goods, cotton stockings and cotton, woollen, and silk gloves come almost exclusively from Germany. Woollen stockings, on the other hand, are chiefly supplied by Great Britain with Germany as the second source of supply. The total imports of woollen stockings last year were valued at over 8,000,000 kronor. Silk stockings come mostly from Germany, but the United States sends a fair quantity. The same applies to cotton underwear, of which Germany is again the principal supplier. Woollen underwear is imported mostly from Great Britain, Denmark, Germany, and France, only a small quantity being obtained from the United States.

LEATHER

There is a very large production of sole leather in Sweden, which practically covers the domestic consumption. This industry is chiefly based on imported hides, as the thin Swedish hides are most suitable for the manufacture of finer leathers and are exported. Upper leather and other finer kinds of leather are very largely obtained from abroad. It is in upper leather that Canadian tanners have the best opportunity for business with Sweden. Last year $7,601 worth of upper leather was exported to that market from Canada, but the trade should be capable of expansion.

The principal openings are for the sale to Sweden of patent, calf, and kid leathers. The market requires chiefly the best grades. Tan box calf is imported in larger quantities than black box calf. The best qualities of patent upper leathers are imported from the United States as well as patent goat and kid, and a large business is also done by the German tanners.

The small quantity of sole leather imported into Sweden comes almost entirely from Germany. The imports of leather, dyed, in 1926 amounted to a total of 577,338 kg., of which 218,170 kg. came from Germany, 108,432 kg. from Great Britain, 102,363 kg. from Denmark, and 82,478 kg. from the United States. The imports of lacquered leather totalled 124,343 kg.: the United States was the chief source of supply with 62,711 kg. and Germany next with 41,103 kg. Other kinds of upper leather were imported to the amount of 92,337 kg., of which Great Britain supplied 52,814 kg. Only 3,147 kg. came from the United States.

The duty on upper leather in pieces weighing at least 1 kilogram net is 0.65 kronor per kilogram, or about 7.92 cents a pound, while other upper leather is subject to a duty of 0.90 kronor, or about 10.96 cents a pound.

BOOTS AND SHOES

Swedish factories are capable of fully supplying the domestic requirements for boots and shoes. Just after the war the trade was disorganized by heavy imports of boots and shoes from the United States, but in normal times 90 per cent of the leather footwear sold in Sweden is of domestic manufacture.

In 1926 the total imports of footwear amounted to 246,885 kg., valued at 2,701,175 kronor. A great many countries contributed to this import, but the largest suppliers were Germany and Czechoslovakia, with Great Britain occupying third place. The importations from the United States in that year were valued at only 155,098 kronor, most of which was comprised of boots and shoes with leather uppers. The duty on the latter kind of footwear is 6 kronor per kilogram.

MINERALS AND METALS

Sweden does not require to import a large quantity of Canadian minerals. There is little direct import from Canada, as Swedish firms fill their requirements by purchases from German and British importers. Thus out of a total import of raw asbestos in 1926 amounting to 320,038 kg., over half was shown as coming from Germany and the direct import from Canada was given at only 12,081 kg. Imports of other minerals and metals included 16,330 metric tons of raw copper, 5,305 tons of raw zinc, 6,046 tons of raw lead, 131 tons of raw nickel, 420 tons of graphite, and 63 tons of mica. With the exception of copper and lead from the United States, these minerals and metals were mostly imported from European countries.

METAL PRODUCTS

Sweden has a very highly developed iron and steel industry, and there is a considerable export of high-grade iron and steel and products manufactured therefrom. At the same time foundry pig-iron, bars, rods, sheets and plates and other materials of iron and steel are imported from European countries as well as a number of finished iron and steel products. In 1926 the total import of semi-manufactured iron and steel into Sweden amounted to 254,018 metric tons of a value of 31,878,000 kronor, while the import of iron and steel goods totalled 97,827 tons valued at 36,992,000 kronor.

Of the iron and steel goods imported into Sweden, careful inquiries appear to lead to the conclusion that only in iron pipe and tubing is there any chance for Canadian manufacturers to compete for business against the European suppliers, who have the advantage of low costs of production and proximity to the market.

The total imports of rolled and warm-drawn tubing in 1926 amounted to 19,754 metric tons valued at 6,572,927 kronor. Germany was by far the largest supplier. Great Britain and Belgium also sent large quantities, while 373,209 kronor worth were imported from the United States and 128,797 kronor worth from Canada. The largest item in this import would be galvanized wrought iron tubing. The chief sizes required would be from $\frac{1}{8}$ to 6 inches and the tubes should have English thread. The duty on unworked warm-drawn tubing imported into Sweden is 4 kr. per 100 kg.

FINISHED GOODS

In most lines of finished metal goods the Swedish requirements are covered by the domestic factories, supplemented by imports from Germany. The British manufacturers are chiefly prominent in the supply of the better class of cutlery and machinery. The United States exports to Sweden several kinds of tools and special machine tools and machinery.

Carborundum wheels, lawn mowers, and saws are among the articles imported into Sweden from the United States, and although the trade is not large there might be an opening for the export of these products from Canada to the Swedish market.

Sweden has abundant water-power resources, and it is only a question of time before the requirements for artificial abrasives are fully covered locally, but at present a number of artificial abrasive wheels are being imported from the United States.

The trade in lawn mowers was reported to be very small, but United States makes of lawn mowers were exhibited by dealers in Stockholm.

Saws are manufactured very largely in Sweden, but some hand saws are also imported from the United States.

Electric apparatus and appliances of various kinds are made in Sweden, but certain lines are imported from Germany. The Swedish electro-technical industry is especially strong in the supply of high-tension apparatus.

Carbon electrodes made in Canadian factories have been shipped to Sweden, the value of this export in the last fiscal year being $17,848.

The United States supplies most of the typewriters, calculating machines, and cash registers sold in Sweden, with German manufacturers providing the only competition. Safety razors are also shipped to Sweden by United States manufacturers, while Germany supplies a large share of the blades imported.

The household appliances and kitchen utensils required in Sweden are very largely supplied by domestic factories, supplemented by imports from Germany and other countries. There would appear to be no opening in this branch of trade for Canadian exporters.

FOXES

A considerable interest is being manifested in Sweden in the breeding of silver black foxes. The climatic conditions are particularly suitable for the fur farming industry, and there are a number of estate owners and other persons with the necessary capital and other facilities required for starting fox farms. These parties are mostly looking to Canada for the supply of their foundation stock. In the fiscal year ending March last a total of fifty-eight foxes valued at $21,100 was shipped from Canada to Sweden. Canadian exporters of breeding foxes can best go after this business by appointing agents in Sweden or by advertising in Swedish papers.

SEEDS

Sweden is not a large importer of seeds, as is the case with Denmark. The largest trade is in the importation of flax seeds which are obtained from Argentina. There is only a small import of clover and grass seeds. Red clover seeds are secured from Germany, and a small quantity of alsike and white clover seed is imported from Germany, Denmark, Czechoslovakia, and Danzig. The total imports of red clover seeds in 1926 amounted to 967,461 pounds, and those of alsike and white clover seeds to 91,256 pounds. It is possible that alsike clover seed of Canadian origin has been sold to Sweden by Danish or German firms.

SUMMARY

The above survey will indicate that the openings are very restricted for the sale to Sweden of miscellaneous goods produced in Canada and not already covered in detail in this series of reports. A canvass among importing firms in Stockholm, Gothenburg, and Malmö failed to disclose many lines in which Canadian exporters were neglecting opportunities for trade. Investigation of openings for particular lines nearly always brought a negative result due chiefly to the difficulty of meeting European competition. Still it is probable that with samples and prices before them of Canadian products which are competitive, the Swedish importing firms might be persuaded to show greater interest in trade with the Dominion. The Canadian trade Commissioner at Hamburg would be glad to render assistance to any Canadian exporters desirous of getting in touch with those Swedish importing firms who are interested in handling Canadian goods.

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